PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 82

HOUSE OF COMMONS

OFFICIAL REPORT

SECOND SESSION OF THE FORTY-NINTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
THIRTY-FOURTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 1984-85

COMPRISING PERIOD
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IN THE SECOND SESSION OF THE FORTY-NINTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

THIRTY-FOURTH YEAR OF THE REIGN OF HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 82**

SIXTEENTH VOLUME OF SESSION 1984-85

House of Commons

Monday 1 July 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

LINCOLN CITY COUNCIL BILL

Read the Third time, and passed.

Oral Answers to Questions

TRANSPORT

Dial-a-Ride (London)

1. **Mr. Dykes** asked the Secretary of State for Transport if he will hold further discussions with London Regional Transport and the organisers of dial-a-ride in Greater London to ensure its continuance in operation if the Greater London council funding is terminated at the end of 1985-86.

The Minister of State, Department of Transport (Mrs. Lynda Chalker): My officials are discussing the future of the dial-a-ride system with officers of the London boroughs and London Regional Transport. I intend to find satisfactory arrangements for the continuation of the scheme.

Mr. Dykes: I thank my hon. Friend for the assurances that she gave yet again in an important speech at the beginning of last week. Will she elaborate a little, as reassurance that this vital and developing service will continue is needed? Will she spell out, even if only in a preliminary way, how funding will continue after 1985-86?

Mrs. Chalker: I am willing to have discussions with my hon. Friend, but it would not be fair to the London Boroughs Association or to London Regional Transport to go into too much detail, as they have not come to any overall agreement. I have told them that the scheme is important and much valued, that I intend to ensure that it continues and that it is made as efficient as possible so that we get good occupancy and reduce the cost per trip. I cannot tell my hon. Friend more than that at the moment.

Mr. Corbyn: Will the hon. Lady take this opportunity to assure the House that users of dial-a-ride schemes throughout London will be able to continue to use those schemes and that there will be no cost to existing borough councils in London greater than those which they already pay towards dial-a-ride schemes? Will she ensure that the disabled of London are not forced to pay for her proposals for taking control of London Transport from the people of London?

Mrs. Chalker: This has nothing to do with the transfer of London Transport to London Regional Transport. As the hon. Gentleman knows, the costs of dial-a-ride schemes are borne wholly by ratepayers. I see no reason for that to change, but we have to find the best way in which to do it. I assure the disabled people who use dial-a-ride schemes that the reason for working so hard to find the best, most efficient and cost-effective scheme is that they should be able to go on using them.

Mr. Malins: Does my hon. Friend agree that the Greater London council's recent press release on the future of the dial-a-ride service has brought a great deal of unnecessary worry and distress to disabled and elderly people?

Mrs. Chalker: I regret to say that, once again, by spreading scare stories, the GLC has again worried many disabled people. *[Interruption.]* I am happy to say, however, that, despite the mutterings of the hon. Member

for West Bromwich, East (Mr. Snape), the scheme will continue. We want to find the best and most cost-effective way in which to run it.

Mrs. Dunwoody: Is the Minister aware that, sure as we are that her intentions are good, we need more assurances than the suggestions that, somehow or other, the scheme will continue? Where is the money to come from? Is she aware that for this Government cost-effective is another way of saying fewer journeys, more people left in their own homes, and greater problems for the disabled?

Mrs. Chalker: For the umpteenth time, the hon. Lady has got it wrong. The Birmingham dial-a-ride schemes have come down to an average cost of £2 per trip, but certain London schemes vary between £10 and £16 per trip. It is surely my duty, if we are to extend such services to a greater range of disabled people, to reduce the costs.

M1 Motorway (Repairs)

2. **Mr. Madel** asked the Secretary of State for Transport if he will make a statement on the arrangements his Department has made for monitoring traffic on the M1 south of Bedfordshire from 2 to 16 July while extensive repairs are being done to the M1.

Mrs. Chalker: The arrangements for monitoring traffic include a considerably increased number of police patrols, video cameras positioned in the contraflow system and aerial surveillance during daylight hours. Everything practicable is being and will be done to keep traffic moving smoothly and safely.

Mr. Madel: As we do not want traffic in south Bedfordshire to come to a complete standstill between 2 and 16 July, will my hon. Friend assure me that there will be a sustained publicity campaign in the midlands, the north and Scotland, to try to persuade drivers to avoid that section of the M1 while repairs are done unless they have business in the south Bedfordshire area?

Mrs. Chalker: I assure my hon. Friend that every possible aspect of the national campaign has been and is being followed up. I have spent my time this morning in the M1 area, and the traffic was flowing freely. However, that will continue to happen only if those who normally use their cars on the M1 use the trains, as I have advised, during the repair period and the car parking that has been provided for them at Milton Keynes station, Birmingham international, Leagrave, Luton and St. Albans.

Mrs. Kellett-Bowman: May I congratulate my hon. Friend on the good precautions that she has taken to avoid chaos on the M1? Never before have such tremendous efforts been made in advance, and those who use the M1, such as myself, are very grateful to her.

Mrs. Chalker: I am grateful to my hon. Friend for what she said. Provided that the advice that has been given out in the leaflet, through broadcasts, question sessions and so on is followed, I believe that we can keep the remaining traffic, which should be the heavy goods vehicles, on the M1. The other traffic can stay at home or use the railways or planes. The schemes that have been developed over many months are there to help the traveller while the essential work is done.

Mr. Snape: Does the Minister accept that the unprecedented closure of the M1 is due to the enormous increase in road freight over the past decade — *[Interruption.]* Whether or not that amuses the Secretary of State, it happens to be true, although he would not know, given his present job. In their policies, the Government appear to be determined to increase heavy road freight still further. Will the Minister give the House a guarantee that she will continue to resist Common Market pressure for 44-tonne lorries, before all our motorways have to be closed? Will the hon. Lady confirm that the only advice that she can offer regular travellers on the M1 is, as she said, to take the train or stay at home?

Mrs. Chalker: There is absolutely no question of 44-tonne lorries being acceptable in this country. I hope that the hon. Gentleman will help everybody else for once by getting it right in future. We are not closing the M1. The northbound traffic will go up the southbound carriageway, which has a narrow two-lane contraflow upon it. The M10 traffic will come on, go off round a roundabout and come straight back on after junction 8 where the 200-yard stretch is being renewed. The freight traffic on that stretch of the M1 is about a quarter of all traffic. The growth in the number of cars is even more than that of freight.

Mr. Roger King: Is my hon. Friend aware that I have been a user of the M1 for more years than I care to remember? Would there not have been a reduction in the use of the motorway during August, when large numbers of the population are away on holiday? Has the right forthnight been selected for these difficult roadworks?

Mrs. Chalker: My hon. Friend is not quite right about the volume of traffic during the holiday season. It increases on that stretch of motorway, which is why we are seeking to do the work before the children's summer holidays start. We have chosen the best combination of long daylight hours, the drier weather, which we hope we shall see during the first fortnight of July, and the higher night ambient temperatures. It is not possible to have the best of each of those, but the best combination of all three makes it the right fortnight to get that essential work done.

Bridges and Tunnels (Tolls)

3. **Dr. Michael Clark** asked the Secretary of State for Transport what information he has as to the total revenue raised by tolls on bridges and tunnels in each of the last five years; and if he will make a statement.

The Secretary of State for Transport (Mr. Nicholas Ridley): The gross figures for each year starting in 1979-80 were: £20·2 million, £22·3 million, £28·5 million, £34·9 million and £39·2 million, totalling £145·1 million.

The Government's policy remains that estuarial crossings should be paid for by the users through tolls rather than by taxpayers, except where there are counter-arguments on the grounds of traffic diversion or congestion. That is because of the exceptional savings in time and money which these expensive facilities make possible.

Dr. Clark: Does my right hon. Friend agree that the cost of financing toll bridges and tunnels places a considerable burden on local authorities, especially counties such as Essex and Kent, which must finance the Dartford tunnel? Does he agree that toll booths cause

considerable delays at bridges and tunnels? Despite the revenue, does he agree that the country overall would be better off if toll charges were abolished?

Mr. Ridley: Taking the last point first, it would make no difference to the country overall if tolls were abolished and the costs were put on to taxpayers rather than users. The costs still have to be paid, whoever pays for them. I do not think that any direct cost falls on Essex and Kent county councils, because they have a fund to administer the tunnel. In due course it is expected that that fund will be repaid, probably in the early 1990s, and the county councils will not be out of pocket as a result.

Regarding delays, when the toll plaza is complete and there are 12 toll booths in each direction, and when the road widening is completed up to the mouth of the tunnel, I do not think that there will be delays, except those caused by a lack of capacity in the tunnel. We have already announced that we are studying how best to provide extra capacity to obviate that shortage as soon as possible.

Mr. Roy Hughes: Is not this issue of toll charges on estuarial crossings becoming more farcical every day? The latest example on the Severn bridge is of thousands of pounds being extracted from disabled drivers because no one has told them that they may cross the bridge free of charge. Surely such a concession should be advertised nationally and in the local press by the Ministry of Transport.

Mr. Ridley: I am astonished by the hon. Gentleman. Until 1979 he supported the Labour Government who firmly and strongly advocated the continuation of tolls on estuarial crossings. Why does he appear to change his mind now that there is a Conservative Government? The disabled have the concession to which the hon. Gentleman referred, and I hope that he will do his best to ensure that there is a high take-up of it.

Mr. Willie W. Hamilton: Is the Secretary of State aware that Fife region is the only region in Britain that one pays both to get into and out of—on the Forth and Tay bridges? Does he not realise that the sooner we get rid of that nonsense the better?

Mr. Ridley: If the hon. Gentleman feels like that my advice to him is to stay in Fife.

Mr. Leigh: Is my right hon. Friend aware that it costs £2 to cross the Humber bridge and return home again? Is there any other county in the United Kingdom where one must pay to go from one part of it to another? Does it not make a mockery of the creation of Humberside, which artificially joins north Lincolnshire and east Yorkshire, much to the chagrin of its inhabitants?

Mr. Ridley: I hope that my hon. Friend will feel like sending a copy of that supplementary question to Mrs. Barbara Castle and, indeed, perhaps an invoice to match it.

Mr. Cartwright: If the engineering study announced last week by the Minister of State recommends in favour of an additional river crossing at Dartford, will that new tunnel be subject to the same toll arrangements as the existing Dartford tunnels?

Mr. Ridley: When a question involves two "ifs" I am entitled to say that it is hypothetical. Indeed, that is my answer to the hon. Gentleman.

Mr. Anderson: May I make a further helpful counter argument? Will the Secretary of State consider throwing a lifeline to the increasingly floundering Conservative candidate in the Brecon and Radnor by-election and, consistent with recent other gifts, end tolls on the Severn bridge?

Mr. Ridley: No, Sir. It is not Government policy to seek to buy by-election results as Mrs. Castle did with the Humber bridge. Humberside was lumbered with an enormous debt as a result of that by-election promise. We have no intention of inflicting such a cruel burden on the inhabitants of Brecon and Radnor.

Mr. John David Taylor: Is it expected that the toll revenue will pay off the cost of these bridges and tunnels? If so, will there be a time limit on the changing of tolls?

Mr. Ridley: It depends on which crossing the right hon. Gentleman means. Some are within sight of redeeming their capital debt, but others are not.

Air Services

4. **Sir Reginald Eyre** asked the Secretary of State for Transport how many international scheduled services currently operate out of regional airports; and how many operated in 1983.

The Parliamentary Under-Secretary of State for Transport (Mr. Michael Spicer): There are about 925 individual international services per week from regional airports compared with about 690 two years ago, an increase of just over one third.

Sir Reginald Eyre: Is my hon. Friend aware that those impressive figures show the Government's commitment to regional airports? How many more routes have started from regional airports since 1983?

Mr. Spicer: About 1,500 international routes are now available from regional airports, of which 100 are in use. This year alone, 14 started from Manchester and four from Birmingham.

Mr. Kennedy: Will the Minister undertake at least to investigate the possibility of providing full customs facilities at Inverness and Wick airports so that the potential for international flights between the highlands and Scandinavia and northern Europe can be more fully exploited?

Mr. Spicer: We are always willing to investigate the possibility of additional customs facilities and I shall certainly look into the cases that the hon. Gentleman mentioned. We must, however, be sure that there is a reasonable amount of traffic to justify the cost of providing those facilities.

Sir Fergus Montgomery: Will my hon. Friend give some idea of the expected increase in international routes from regional airports? What are the prospects for Manchester airport in the light of the White Paper?

Mr. Spicer: The prospects for Manchester airport are excellent in view of its track record in the immediate past. There has been an increase from 3·5 million passengers per annum in 1979 to 6 million this year. Bristol has shown a 25 per cent. increase in the same period and international traffic from regional airports generally has risen from 7·6

million to 12 million passengers per annum over the same period. On the basis of experience, therefore, the future holds excellent prospects for regional airports.

Mr. Ron Lewis: Will the Minister give an assurance that those excellent prospects also apply to Carlisle?

Mr. Spicer: Carlisle has had its ups and downs, but it is a good airport. I think that we have now overcome the customs problems.

Mr. Patrick Thompson: Does my hon. Friend accept that there is concern in Norwich that cross-subsidy for Stansted may make fair competition difficult, if not impossible, for regional airports? Will he introduce further measures to encourage the development of regional airports and the reform of their financial structure?

Mr. Spicer: Under the new Bill, which we shall introduce as soon as possible, the accounts of the various airports in the BAA system will be transparent. Any loans between airports will have to be at fully commercial rates. Norwich is an expanding airport with tremendous possibilities, especially through the inter-regional system into northern Europe. There are good prospects there, and many new routes have started up recently.

Mr. John David Taylor: Is the Minister aware of the misleading practice by British Airways, which in its scheduled flights includes certain international flights from regional airports that go via London Heathrow? Will he confirm that the figures he has given relate to genuine international flights from regional airports exclusive of calls in London?

Mr. Spicer: It is quite true that a number of passengers travel from regional airports through the London system, because the London system is the busiest international hub in the world. Our object is to build up other hubs, notably at Manchester, and we are being very successful in that policy.

Mr. Snape: Does the Minister accept that Birmingham's excellent regional airport owes a great deal of its success to the activities of the West Midlands county council in recent years? Does he also accept that many regional airport directors feel very strongly about the Government's practice of refusing permission for foreign airlines to fly direct to the regions unless that permission is linked to the withdrawal of slots by those airlines in and out of Heathrow? Will he ensure that that practice ceases?

Mr. Spicer: Birmingham's recent record was not as bright as the records of many other regional airports. One of the reasons why its prospects are now extremely good is that central Government have given £20 million of taxpayers' money to develop Birmingham airport.

Motorway Construction

5. **Mr. Knox** asked the Secretary of State for Transport how much has been spent on new motorway construction in each of the past three years at constant prices.

Mr. Ridley: At constant 1982-83 prices, the amount spent on new motorway construction was £285 million in 1982-83; £289 million in 1983-84; and provisionally, £295 million in 1984-85. A further £725 million was spent on construction of other national roads in the same period.

Mr. Knox: I welcome the improvement that has been made, but does my right hon. Friend feel that the new motorway construction programme is adequate? Does he not think that we need a much better motorway network if we are to move goods and materials more quickly and improve our industrial efficiency?

Mr. Ridley: Overall spending on national roads has increased by 30 per cent. in real terms since we inherited the work from the Labour Government. That is a large and major contribution to improving the roads system. Within that total it is likely that more priority will have to be given to non-motorway roads, bypasses and smaller schemes as the motorway construction programme begins to draw to[illegible]ds its close.

Mr. Andrew F. Bennett: Will the right hon. Gentleman confirm that those figures contain a considerable amount for the preparation of the Denton to Portwood motorway in my constituency? Will he now announce the date for starting work on that motorway? Will he also listen with considerable sympathy to the case presented by Tameside council for the completion of the outer ring road around Manchester, which will have a considerable impact on the area's industrial development? In particular, will he press the Minister of State to be sympathetic to the case that will be presented to her when she meets a deputation from Tameside later today?

Mr. Ridley: The costs of those schemes are in the "National Roads England 1985" programme, which my hon. Friend the Minister of State announced a couple of weeks ago. I think the hon. Gentleman supports their going through the public inquiry procedure before they can commence. He will also know as well as I do that my hon. Friend is always helpful and sympathetic, as I am sure she will be when the hon. Gentleman meets her this afternoon.

Mr. Chapman: What is the current average cost per mile of building a new motorway?

Mr. Ridley: I should like to give my hon. Friend an accurate figure. Off the cuff figures may not be quite accurate, particularly as my hon. Friend did not specify whether he was referring to urban, semi-urban or rural motorways. I shall give him a full answer.

Road Traffic (Driving Instruction) Act 1984

6. **Mr. Colvin** asked the Secretary of State for Transport when the Road Traffic (Driving Instruction) Act 1984 will be implemented.

Mrs. Chalker: Most of the provisions of the Act were introduced on 20 May 1985. Section 1 has yet to be implemented. We expect to bring this remaining provision, which relates to the identification of driving instructors, into operation later this year.

Mr. Colvin: I thank my hon. Friend for that reply. What benefits have flowed from the Act so far? What will be her reaction to the Driving Instructors Association's seven-point plan for road safety, which will not only save lives but an estimated £2,000 million?

Mrs. Chalker: Those elements of the Act already in operation are that all new trainees should be partly qualified before they are allowed to give any tuition—which will be under a minimum of one fifth, 20 per cent., supervision—that they must complete their qualifications within six months and that they will not be allowed to extend their trainee licence for a further six months.

They will have to take up special training, and there will be tighter direct personal supervision of the trainees, which is very important. The identification cards are to follow. As regards the representations made by the *Driving Instructors* Association, my officials have recently met the association for detailed discussion, and I am giving detailed consideration to its proposals.

Mr. Gregory: Does my hon. Friend accept that there is concern on the Conservative Benches that, as a result of implementation, there may be even more generous donations to the Liberal party by the British School of Motoring? Taking this into consideration——

Mr. Speaker: Order. That is not the Minister's responsibility.

Mr. Gregory: May I then ask my hon. Friend to urge on those driving schools that contribute to political parties that they should show that on the windscreens of their cars?

Mrs. Chalker: That must be a matter for the individual driving school. Our concern is better driving and fewer accidents. I hope that everybody's concern in driving instruction will be first and foremost to give the best possible tuition to learner drivers. If that means fewer resources for their political protegees, we might have better drivers.

Mr. Speaker: In fairness, I call Mr. Simon Hughes.

Mr. Simon Hughes: When the Minister meets the Driving Instructors Association this afternoon, will she give sympathetic consideration to extending the regulations even further so that the proposal put forward by my colleague in the other place, supported by the Government's spokesman for transport there and members of the Labour party, that instructors should be trained to teach, will soon be part of the regulations, in addition to what the hon. Lady has provided for so far?

Mrs. Chalker: Our training is training to teach, and certain comments recorded in *Hansard* in the other place are not quite correct. I am concerned to see that we get the best possible standard of tuition, because with that, and with better enforcement of the law through the penalty points system, we shall have better driving and fewer accidents on our roads. That is what we want to achieve. Any suggestions will always be looked at carefully in that light.

M3 Motorway (Extension)

7. **Mr. David Atkinson** asked the Secretary of State for Transport what plans he has for a north-eastern extension of the M3 motorway.

Mrs. Chalker: I have no such plans.

Mr. Atkinson: Will my hon. Friend accept the appreciation of my constituents and all users of the M3 motorway, including myself, for the recent completion of the southern extension ahead of time? Will she also accept that the same motorists will be disappointed with her reply, because they feel that any time saved by that extension will be lost as a result of the congestion at the other end, most notably on the A4? Does my hon. Friend have any plans to speed up traffic between the Chiswick flyover and Parliament square?

Mrs. Chalker: I thank my hon. Friend for his earlier comment about the completion of the southern extension of the M3, which was urgently needed. We are purposely looking at the needs and concerns within inner London not only of road users but of those who live in the area. Until the independent assessment studies have been completed, whether it be for that or any other area, I shall not be thinking of any changes to the present network.

Mr. Corbyn: When does the Minister expect the road assessment studies to be completed and published?

Mrs. Chalker: The work being done by the consultants is going along well on the whole. They need to collect a certain amount of information which they are not being permitted to collect. Therefore, I cannot give the hon. Gentleman an answer to his question. He had better ask his friends in the GLC.

"Cycles on Trains"

8. **Mr. Steen** asked the Secretary of State for Transport if he has any plans to meet the chairman of British Rail to discuss the results of the research paper entitled "Cycles on Trains", commissioned by British Rail; and if he will make a statement.

The Parliamentary Under-Secretary of State for Transport (Mr. David Mitchell): This is a matter for British Rail. My hon. Friend may wish to take it up with the chairman direct.

Mr. Steen: Is my hon. Friend aware that the two most favoured recommendations in the report by the Harris people are that charges for bicycles on British Rail should stop and that the ban on the inter-city rail network should cease? Is he aware that £7 million of additional income is being lost by the unhelpful attitude of British Rail? Will my hon. Friend say something about that, to ensure that British Rail gets more money from bicycle users?

Mr. Mitchell: I am aware of my hon. Friend's long-standing interest in this matter as chairman of the all-party Friends of Cycling group. I assure him that I know of no plans by British Rail to extend its restrictions. There are restrictions on HSTs because there is not enough space to take large quantities of luggage and other paraphernalia. I shall report my hon. Friend's comments to the chairman of British Rail.

Midland Main Line (Electrification)

10. **Mr. Freeman** asked the Secretary of State for Transport when he last discussed with the chairman of British Rail plans for electrification of the Midland main line north of Bedford.

Mr. David Mitchell: The British Railways Board is responsible for planning its own investment. If the chairman wishes to raise this project at one of our regular meetings, I shall be glad to discuss it.

Mr. Freeman: When my hon. Friend next sees the chairman of British Rail, will he convey to him two simple points on behalf of my constituents in Kettering? First, they want to see the Midland main line electrified from St. Pancras through Kettering to Yorkshire—the whole line. Secondly, they want to see Kettering retain its status as an inter-city interchange station. That is important for my constituents.

Mr. Mitchell: I shall keep my hon. Friend's points in mind. British Rail has not submitted to Ministers a proposal to electrify to Kettering, and I understand that it has not come to any decision to do so. My hon. Friend will be aware that it is only three years since British Rail demonstrated its commitment to the Midland main line by introducing HSTs on the route. That has meant a 20-minute saving on the run to Sheffield and has resulted in a substantial increase in customers.

As for electrification generally, I assure my hon. Friend that British Rail is not held back on its requests. Today, I have given British Rail consent to reopen and electrify the Snow Hill tunnel in London.

Mrs. Beckett: Does the Minister accept that all those who live in communities served by the midland line support the call for electrification and hope that the Government will encourage British Rail to make such a proposal? Does he also accept that many of us would like to see British-built stock running on the line? Will he consider lifting the ban on BREL's ability to compete in tendering for locomotives so that orders do not end up being placed abroad?

Mr. Mitchell: It is not for Ministers to twist the arm of British Rail about the priority that it should give to individual investment projects. It is for management to put forward what it believes to be best to achieve the purposes and objectives that it has been set.

Mr. Higgins: Given the history of investment in the Bedford-St. Pancras line, does my hon. Friend agree that future investment must depend on reasonable productivity being obtained? If so, to what extent have the promises of improved productivity in earlier negotiations, which were the subject of much industrial dispute, been delivered by the unions concerned?

Mr. Mitchell: My right hon. Friend is right to draw attention to the importance of productivity, especially when it is part of the appraisal on which the decision to carry out the investment is based.

My right hon. Friend referred to a specific matter concerning productivity. This is a sensitive topic on which there are continuing negotiations, and I should not like to make them more difficult.

Mrs. Dunwoody: Is not the Minister dodging the basic question when he says that it is not his concern if British Rail does not go to British Rail Engineering Ltd. for its locomotives? Has he not worked out that it is a lot cheaper and more efficient to keep the BREL workshops fully occupied than to insist on open tenders from at least five foreign competitors?

Mr. Mitchell: I understand that British Rail Engineering Ltd. is involved as a sub-contractor in more than one of the potential bids for the contract about which the hon. Lady is concerned.

International Maritime Fraud

11. **Mr. Ottaway** asked the Secretary of State for Transport what steps have been taken in support of resolution TD/B/C.4/AC.4/L.Z approved by the United Nations Conference on Trade and Development at Geneva on 6 to 17 February 1984 on combating international maritime fraud.

Mr. David Mitchell: The Government were disappointed to see that the resolution to which my hon. Friend refers contained no practical proposals for combating maritime fraud. We hope that UNCTAD will produce more constructive ideas at its second meeting, and we shall be working hard to this end.

Mr. Ottaway: Is my hon. Friend aware of the growing concern about the level of maritime fraud, which is currently estimated by the International Maritime Bureau as running at $10 billion a year and which puts it on a par with the drugs trade? Will my hon. Friend assure the House that a high-powered delegation will be sent to the conference in Zurich in October?

Mr. Mitchell: I assure my hon. Friend that Britain will be properly represented by a high-powered delegation. We recognise the importance of the matter. I cannot put a precise figure on the cost of maritime fraud, but, in addition to the actual cost of losses, there is substantial damage to confidence within the trading communities concerned.

ATTORNEY-GENERAL

Magistrates

37. **Mr. Cohen** asked the Attorney-General what steps Her Majesty's Government take to seek to ensure that the appointment of magistrates reflects the nature of the community, particularly with reference to the appointment of working people, women and members of the ethnic minority communities.

The Solicitor-General (Sir Patrick Mayhew): The appointment of magistrates in England and Wales rests not with Her Majesty's Government but with the Lord Chancellor and the Chancellor of the County Palatine of Lancaster. The method of selection is fully described in a pamphlet issued by the Lord Chancellor, of which I am arranging to send a copy to the hon. Member. The policy of successive Lord Chancellors with regard to securing balance is set out in a speech by the present Lord Chancellor, of which I am also sending a copy to the hon. Member.

Mr. Cohen: Why is there such a great preponderance of shire county type justices of the peace, who have no empathy with or experience of urban life and the lives of the majority of the population? How can the Attorney-General justify this bias, with no effort being made to rectify it — for example, by providing child care facilities so that more housewives could do the job, by appointing those in their 40s or 50s who are long-term unemployed and have plenty of time to do a good job, or by having more ethnic minority JPs so that there would be a proper mix for all communities? Does not the procedure of secret appointments mean that JPs have no links with communities in the cities?

The Solicitor-General: The answer to the last section of the hon. Gentleman's comments is no. As for the remainder, I hope the hon. Gentleman will accept that it is the purpose of the Lord Chancellor to secure balance on the bench, reflecting all walks of life in the petty sessional area that the bench serves. To that end, the Lord Chancellor is helped by advisory committees. Greater London has five such committees. It is and has been the policy of successive Lord Chancellors to secure balance

regardless of any personal predilection that local Members of Parliament, for example, may have. Balance is essential.

Mr. Beaumont-Dark: Does my hon. and learned Friend agree that it would be damaging to the excellent system of the local judiciary if people were chosen purely on the basis of ethnic origin, whether men or women? Is it not right that those appointed should be best qualified for the job? Otherwise, confidence would be lost in the judicial system.

The Solicitor-General: There is only one criterion of overriding importance—personal suitability for the job of sitting in judgment on one's fellow men. I agree entirely with what my hon. Friend has said. That must be the overriding consideration, and beyond that there must be balance reflecting all walks of life in the area.

Mr. Nicholas Brown: The Solicitor-General will recall, I suspect, a range of questions from me to the Attorney-General about the composition of the bench in Newcastle upon Tyne and the written reply that I received on 17 January 1984, which said:

"The primary requirement is that those appointed should be personally suitable in character, integrity and understanding. The Lord Chancellor also bears in mind the need for each bench to reflect the community it serves in such matters as age, sex, occupation, social background, location of residence and political opinion."—[*Official Report*, 17 January 1984; Vol. 52, c. *155*.]

Those are fair guidelines. Therefore, can the Solicitor-General say why, in cities like Newcastle upon Tyne, where previous questioning has shown that the guidelines are being ignored, the Lord Chancellor makes no effort to ensure that his guidelines are insisted upon?

The Solicitor-General: I am reassured that there is a high degree of consistency between what I have just said about the proper test and what my right hon. and learned Friend said a few months ago. The hon. Gentleman is wrong to say that the Lord Chancellor makes no effort to ensure that those guidelines are met. He makes considerable efforts and is guided in that task by the local advisory committees.

Independent Prosecution Service

38. **Mr. Nicholas Brown** asked the Attorney-General if he will make a statement regarding discussions with the staff commission concerning the setting up of the independent prosecution service.

The Attorney-General (Sir Michael Havers): The staff commission for the independent prosecution service will not be set up until August and therefore no discussions have yet taken place.

Mr. Brown: The House welcomes the setting up of the new prosecution service. Will the Attorney-General assure us that his discussions with the staff commission will lead to a properly remunerated service which will attract talented people and offer a good career structure?

The Attorney-General: That is certainly the Government's intention. I am grateful to the hon. Gentleman for his comments on the new service. Regular consultations about the staff commission and all aspects of the Crown prosecution service are taking place with the Civil Service, local government trade unions, representatives of local government employers and other interested parties. We have three months in which to set up the staff commission. It will clearly be done in that time.

European Commission of Human Rights (Myra Hindley)

39. **Mr. Greenway** asked the Attorney-General what steps Her Majesty's Government are taking to be represented at the European Commission of Human Rights in the case being brought by Myra Hindley; and if he will make a statement.

The Attorney-General: I have seen press reports that Miss Hindley is proposing to make an application to the European Commission of Human Rights. But I have no information about whether she has done so or what the nature of her complaint might be. The Commission will not admit a case for substantive consideration without first inviting the Goverment's comments. It has not done so yet in Miss Hindley's case, and the question of representation at any subsequent hearing is therefore hypothetical. If there were to be such a hearing the Government would, of course, be represented.

Mr. Greenway: Bearing in mind the unspeakably heinous nature of Miss Hindley's crime, does my right hon. and learned Friend agree that it would be unacceptable and repellent to the public if she were manipulated out of prison by some European back door because of unrepresentative pressure group action? If her behaviour has improved, would it not be right for the prison service to find her a different role in the prison? Would it not be dangerous both to Miss Hindley and to the public if she were released?

The Attorney-General: I cannot form any view on her application's prospect of success, because I have not seen it. Indeed, I do not know whether she has submitted an application. It is worth remembering her previous application in 1980 to the Commission complaining about the Home Secretary's refusal to consider her for parole. That application was rejected by the Commission as manifestly ill-founded. Under the convention, the Commission may not deal with any application that is substantially the same as one that has already been considered.

Conveyancing Services

40. **Mr. Ottaway** asked the Attorney-General what representations he has received about the likely impact on solicitors' branch offices if banks and building societies are permitted to offer conveyancing services.

The Attorney-General: The Government have received a number of representations on this matter. Most have suggested that lending institutions would provide unfair competition to independent solicitors, and that the viability of many firms would be jeopardised as a result.

Mr. Ottaway: There is growing concern that allowing banks and building societies to carry out conveyancing will result in many solicitors' branch offices, which provide useful services to the community, having to close. How much research did the Government carry out into this proposal?

The Attorney-General: It has always been apparent that there would have to be the widest possible consultation. That point was made absolutely clear in the written answer given in February last year by my hon. and learned Friend the Solicitor-General. That consultation was carried out in the greatest possible detail. I think that my hon. Friend knows the results as well as I do.

Mr. Maclennan: Is it true that the Government have decided not to proceed with the provisions of the Administration of Justice Bill before the Coopers and Lybrand report is available?

Mr. Speaker: That relates to question No. 41.

Mr. Maclennan: I beg your pardon, Mr. Speaker.

Mr. Peter Bruinvels: Does my right hon. and learned Friend agree that banks and building societies do a great job in looking after financial deposits, that they have excellent solicitors working for them, and that they are a great credit to their professions? What is wrong with competition between the banks, building societies and solicitors?

The Attorney-General: The Government's position is clear. They have a commitment to permit organisations such as banks and building societies to provide conveyancing services and to do so in such a way that the consumer will not be prejudiced by conflicts of interest or anti-competitive practices. We shall honour that commitment.

OVERSEAS DEVELOPMENT ADMINISTRATION

Bilateral Aid Programme

42. **Mr. Barnett** asked the Secretary of State for Foreign and Commonwealth Affairs what priority his Department gives to renewable natural resources and other agriculture-related sectors in the bilateral aid programme.

The Minister for Overseas Development (Mr. Timothy Raison): I continue to attach much importance to these sectors. Within the bilateral programmes we support a substantial number of renewable natural resources and related activities. There are also activities in other economic sectors, such as transport, of which one major objective is to bring benefits to agricultural areas.

Mr. Barnett: If the Minister regards this part of the bilateral programme as so important, why has he cut it by almost £40 million, from 28 to 19 per cent.? Where has the money gone?

Mr. Raison: I do not believe that the sector has declined as a share of our bilateral aid over the past few years. I attach great importance to these sectors. It must be remembered that, in making decisions about the sectors in which money is spent, we must have regard to the requests of recipient countries as well as to our own desires.

Mr. Pavitt: Will the Minister consider the problem of the agrarian subsistence areas which he assists, within the terms of the supplementary question of my hon. Friend the Member for Greenwich (Mr. Barnett)? In view of the need to have self-help co-operatives and resource centres, will he consider reinstituting a committee of his Department which was wound up by the previous Labour Government? I refer to the Co-operative Overseas Aid Committee, which, I am glad to say, continues to support the work of overseas students at the co-operative college at Loughborough?

Mr. Raison: I shall consider the hon. Gentleman's remarks. We continue to receive advice about co-operatives, but there are considerable difficulties about co-operative farming ventures in many parts of the world.

Viscount Cranborne: Does my right hon. Friend agree that an important factor releates to the policies that are adopted by many of the Governments in the countries that come within the programme, and that bilateral aid, despite the suggestion of the hon. Member for Greenwich (Mr. Barnett), is not the only issue? A great deal of progress would have been made if it had been possible for the Governments concerned to adopt policies to encourage agricultural development instead of encouraging a drift to the towns.

Mr. Raison: My hon. Friend is right. The House has to be reminded from time to time that we are heavily dependent on the policies that are adopted by the recipient countries. In many of them, alas, the policies of their Governments run counter to effective agricultural development.

Aid Policy (Strategic and Political Reasons)

43. **Mr. Deakins** asked the Secretary of State for Foreign and Commonwealth Affairs how much United Kingdom aid was given for strategic and political reasons in the latest year for which figures are available.

Mr. Raison: Our fundamental objective in making aid allocations is to assist economic and social progress in developing countries; but we take account also of political and commercial considerations where appropriate. It is not possible to relate these factors to precise statistics.

Mr. Deakins: Is it not wrong for Britain's aid policy to be geared to any extent, however small as a percentage of our total aid budget, to giving aid for strategic and political reasons when aid should be going to the poorest people in the poorest countries as a matter of priority? Surely it is no aid policy to give money to repressive or military regimes scattered around the world for purposes which may coincide with the policies of the Ministry of Defence and the Foreign Office, but not with the administration of the Minister's Department.

Mr. Raison: My budget is a civil aid one, and it is not spent on the provision of military aid. There are many calls on my Department's budget, and we concentrate to a great extent on the poorer countries. I believe that we have a good record in that respect, and that is how it will continue to be.

Mr. Latham: Do Eastern bloc countries give other than strategic and political aid?

Mr. Raison: They give a bit, but, taking Ethiopia as an example, the amount of food that they have given has been minimal, exceeded by India, let alone the West.

Africa (International Fund for Agricultural Development)

44. **Mr. Maclennan** asked the Secretary of State for Foreign and Commonwealth Affairs what recent

discussions he has had with the International Fund for Agricultural Development regarding assistance with its project in Africa.

Mr. Raison: The president of the International Fund for Agricultural Development called on me on 19 June. We agreed on the need for early agreement on the second replenishment of IFAD'S ordinary resources. Thereafter, member Governments could consider whether or not to make voluntary contributions to the IFAD special programme for Africa.

Mr. Maclennan: Has the apparent logjam that is developing over the compromise agreement that was reached earlier this year between other donors been caused by the United States Administration? Is the right hon. Gentleman using his best efforts to break that logjam?

Mr. Raison: Within the last fortnight I have had talks both with the administrator of United States aid and with Dr. Jazairy, the president of IFAD, and I have done what I can to try to resolve the disagreement. I believe that it should be possible to get a constructive result.

Mr. Key: In our aid to famine in Africa, has the airlift component been met outside, and in addition to, our overseas aid budget? When representatives of the Church of England meet the Foreign Secretary later this week, will it be suggested that it would be more helpful if they would encourage hon. Members in all parts of the House who wish to see new money found for our overseas aid projects rather than to criticise us constantly and, indeed, threaten to vote against us at the next election?

Mr. Raison: The greater part of the airlift has generously been provided by the Ministry of Defence out of its funds. I am grateful to that Ministry and to the Royal Air Force for the way in which they have carried out this operation. As for the bishops, the Church and the Synod, we should all stand firm in advising them to vote Conservative at the next election, not least because of the effectiveness of our aid policies.

Ethiopia

45. **Mr. Chapman** asked the Secretary of State for Foreign and Commonwealth Affairs if he will report progress on the Ethiopian Government's contribution in the provision of vehicles to transport aid for the relief of the famine.

Mr. Raison: The United Nations co-ordinator in Addis Ababa, Mr. Jansson, continues to press the Ethiopian Government to provide more trucks for relief efforts. We understand that at a meeting on 17 June Colonel Mengistu told Mr. Jansson that a further 400 trucks would be made available.

Mr. Chapman: I thank my right hon. Friend for that information. Does he agree that some time ago the Ethiopian Government gave an unequivocal commitment to provide 4,000 vehicles, but so far they have provided not even one tenth of the number? Does he further agree that Her Majesty's Government owe it to the millions of people in various countries who have donated to the relief of famine in Ethiopia to make the strongest representations to the Ethiopian authorities on this issue? Will we make it clear that unless the Ethiopian authorities keep to their commitment, the relief that has been given by many countries will rot on the wharves because the food will not get to the people who are desperately in need of it? The result will be that more people will die, and that will be the fault of the Ethiopian Government.

Mr. Raison: It is difficult to say exactly what number of trucks has been provided by the Ethiopians at any given time. The numbers appear to fluctuate. I agree with my hon. Friend that the Ethiopians need to fulfil their promise to provide many more, and we are prepared to support any representations to that effect.

Aid Projects (Women)

46. **Mr. Stuart Holland** asked the Secretary of State for Foreign and Commonwealth Affairs what measures he has taken to assess the benefits of British aid projects to women in recipient countries.

Mr. Raison: We take account of the role of women when designing projects. New procedures have been introduced to enable us to assess the benefits derived by women. I have seen these benefits for myself, for instance, when I visited the Orissa family welfare project in India and the Mbeya referral hospital in Tanzania. Recently we redesigned a project in Malawi to ensure that extension services reached women farmers.

Mr. Holland: Is the right hon. Gentleman aware that one or two projects hardly meet the point and that there is widespread concern that the role of women in development is not sufficiently recognised by his Department? For example, does he have an adviser on the role of women in Third-world countries? If not, will he either appoint one, a woman, or a team, to take this important factor into account in development issues?

Mr. Raison: We have a social development adviser whose role certainly includes concentration on the implications for women of the projects that we put forward. However, the essential point is that in our procedures for assessing and appraising projects, we consider the impact on women as a matter of course. I believe that that is the right way of doing it, rather than creating a separate department to deal with the matter.

Mr. Soames: Is my right hon. Friend aware that many on this side of the House take a dim view of aid going to one particular quarter? Does he agree that aid should be for everyone in a country affected by problems of this type, not uniquely for women or anyone else?

Mr. Raison: There is much good sense in what my hon. Friend says. As I have already said, women face many hardships, especially in agriculture, and it is right to consider those. However, I am against the notion that we should split the aid programme into different sectors by age, sex, class, creed or anything.

Indonesia

47. **Mr. Tom Clarke** asked the Secretary of State for Foreign and Commonwealth Affairs what is the level of overseas aid from the United Kingdom to Indonesia.

Mr. Raison: In 1984 we spent £6·72 million on capital aid, including the aid and trade provision, and £3·81 million on technical co-operation. In addition, the Commonwealth Development Corporation invested £15·473 million.

Mr. Clarke: In view of that substantial commitment to overseas aid in Indonesia, does the Minister believe that

he should speak against blatant abuses of human rights in that country, including the execution of political prisoners, some of whom have been in prison for 12 to 15 years?

Mr. Raison: We are against abuses of human rights wherever they occur. The Government's position on this matter is well known.

European Summit (Milan)

3.30 pm

Mr. Tony Marlow (Northampton, North): On a point of order, Mr. Speaker. As you know, this morning I asked whether I could put down a private notice question——

Mr. Speaker: Order. Nobody knows that.

Mr. Marlow: On a different subject, Mr. Speaker——

Mr. Speaker: Order. The hon. Gentleman must not refer to such applications.

Mr. Marlow: On a different subject entirely, Mr. Speaker. As you will know, at the weekend in Milan our Prime Minister was subjected to full-frontal federalism by other European Governments. Later this evening we shall have an important debate on European matters. We are fortunate to have the Leader of the House in the Chamber with us. In view of the dramatic events of the weekend and the radical nature of some of the proposals that have been made it is essential, before proceeding with this evening's business, that the House has a report from the Prime Minister, the Leader of the House or someone else about what took place at the weekend. If not, it will be impossible for us, in the changed situation, to make the speeches that we would be able to make if we knew the true circumstances of what happened at the weekend. Will the Leader of the House say something about this?

Mr. Nicholas Budgen (Wolverhampton, South-West) *rose*——

Mr. Speaker: Order. Is this on the same point of order?

Mr. Budgen: Yes, Sir. I wonder whether you would ask someone from the Government to say whether the Prime Minister proposes to make a statement about what happened at Milan. We are all anxious to know the Government's attitude towards the sadly unsuccessful summit. We all know that the Dooge report was sent to be approved by the Government 10 days ago. Many of our European allies came forward with proposals based upon the Dooge report, but, to our amazement, the British Government opposed those who support the Dooge report——

Mr. Speaker: Order. The hon. Gentleman has frequently mentioned the Government. That has nothing to do with me. He must put a point of order which I can answer.

Mr. Budgen: Perhaps you would be good enough, Mr. Speaker, to cajole some response from the Government. Of course, I shall be guided by your interpretation of your powers, but sometimes our constitution works in curious ways. Although I would not suggest for a moment that you should give a nod or a wink to the Government, it might facilitate later proceedings if we knew something more about the institution for which it is suggested the House of Commons should vote money. I hesitate to say this, but some Conservative Members believe that, with a majority of 140, we should not be arrogant. I know that the Government would never wish to be arrogant and try to bounce the House into voting for something about which it does not know.

Mr. Speaker: Order. I think that is the speech that the hon. Gentleman may make in Committee.

Mr. Ron Leighton (Newham, North-East): Further to that point of order, Mr. Speaker. Perhaps you could help the House. We read in the newspapers over the weekend —we often obtain information from newspapers first— that the Prime Minister might make a statement tomorrow on her humiliation in Milan. It might be helpful if a Minister were to make a statement today about the position in the EC, before we debate whether we should give further large sums of money to subsidise this enterprise. The Government may have changed their view, and it would be helpful to the House to hear from them today before the debate on the European Communities (Finance) Bill. Is there any way in which the Government can be invited to make a statement today rather than tomorrow?

Mr. Speaker: It is not open to me to force statements from any quarter. I also saw what the hon. Gentleman read in the newspaper, but I have no knowledge whether there is to be a statement tomorrow, I have had no notification of a statement today.

Mr. Marlow: Further to the point of order, Mr. Speaker——

Mr. Speaker: Order. I do not think that any point of order can arise, because I do not know about any statement being made.

Mr. Marlow: Do you have any control whatever, Mr. Speaker, over the timing of debates, other than those under Standing Order No. 10? I am sure that you would wish the House to be properly informed of the very important EC discussions which took place at the weekend, before we proceed with this evening's debate.

Mr. Speaker: I am not responsible for the debates that are called on any one day. I am glad to say that that is not one of my responsibilities.

Questions to Ministers

3.35 pm

Mr. Guy Barnett (Greenwich): On a point of order, Mr. Speaker. I well recognise that the content of a ministerial answer is not a matter for you, but when that answer is in contradiction of a previous answer given within the past two weeks, I should have thought that it might be a matter for you.

I wish to raise with you the answer that I received to a supplementary question that I put on question 42. In my view, it was in contradiction of a reply that I had received to a written question——

Mr. Speaker: Order. We cannot indulge in the practice of continuing Question Time. The hon. Gentleman must find other methods of dealing with the matter.

Tamil Asylum Seekers

3.36 pm

Mr. Jeremy Corbyn (Islington, North): Are you aware, Mr. Speaker, that on Friday the High Court found against the Home Office and directed it to reconsider the case of a Tamil asylum seeker who had been refused leave by the Home Office to remain in Britain? This is a serious matter. Has there been any intimation from the Home Office that it intends to make a statement on its view of

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the High Court decision and the fate of the other Tamil asylum seekers at present living in Britain and who have some concern about their future?

Mr. Speaker: I have had no notification of a statement, but I do know that there are to be Home Office questions on Thursday.

Youth Training Scheme

3.37 pm

The Secretary of State for Employment (Mr. Tom King): With permission, Mr. Speaker, I would like to make a statement on youth training.

My right hon. Friend the Chancellor of the Exchequer announced in his Budget statement that he was making extra resources available which could fund a two-year youth training scheme. On the same day I asked the Manpower Services Commission to consult and develop proposals for such a scheme to start from 1 April next year and to report to me in three months.

On 27 June the commission, which includes representatives fom the CBI, local authorities, education interests and the TUC, unanimously approved proposals for the two-year scheme. The chairman immediately submitted these to me and asked for the earliest possible approval.

I am pleased to inform the House that I have now approved the broad framework of these proposals and I have today authorised the commission to proceed with implementation, within the resource levels previously announced and on the planned date of 1 April.

The proposals represent a major step forward in improving the opportunities for young people both in training, and work experience. The scheme will give broad-based training in the first year, with a greater emphasis on more specific training in the second year, with the opportunity for all to obtain a vocational qualification. This will be building on the foundations laid by the current youth training scheme, which more than three quarters of a million young people have entered so far. The youth training scheme has opened new horizons for young people and employers and has brought home to many the contribution which training can make to improving employability and productivity. I pay tribute to the work of all the individuals and organisations who have played their part in the development of the one-year youth training scheme.

The main features of the new scheme will be as follows:

There will be a quality training programme leading to vocational qualifications and there will be at least 20 weeks off-the-job training over two years. In addition to a planned programme of on-the-job training and work experience. There will be two years' training for 16-year-old school leavers and one year for 17-year-old school leavers.

There will be a training agreement between the trainee and those responsible for his training setting out their respective rights and responsibilities, including the detail of each young person's training programme.

From April 1987, only approved training organisations will be able to take part, after they have satisfied criteria drawn up by the Manpower Services Commission, and a new training standards advisory service will be set up to monitor the quality of the training provided. Trainees will be paid an allowance of £27·30 per week in the first year and £35 per week in the second year.

A basic grant of £160 per month will be payable in respect of each trainee to his training provider. There will be a managing agent's fee of £110 per annum.

We recognise the special needs of some areas and some young people who may find it difficult to find employer-based training places and it is proposed that a premium payment of £110 per month per trainee will be paid in such cases to those providing alternative training.

In approving that broad framework I have approved an increase in the existing trainee allowance to £27·30 with effect from the beginning of September this year, as recommended by the commission.

Under the new scheme, up to 200,000 more young people will be in training than under the existing youth training scheme, bringing the total to over half a million in training at any one time. This will mean a major improvement in the opportunities for training and work experience for our young people and one that will become a permament and essential feature of vocational education and training provision in this country.

Mr. John Evans (St. Helens, North): Will the Secretary of State acknowledge that there is no mention of a new training inspectorate in the version of the statement that I have received, and that it is unfair to make such an announcement when the Opposition spokesman has not been notified of it?

Will the right hon. Gentleman acknowledge that the backdrop to his announcement is that there are almost 1·25 million unemployed under-25-year-olds and that about 300,000 people under the age of 25 have not had a job since leaving school, that young people have borne the brunt of the Tory Government's social security cuts—including the loss of board and lodging allowance after a few weeks in one town — and that there is a near certainty that young people are about to have the flimsy protection of the wages councils removed? In other words, young people are facing a crisis as a result of the Government's actions.

Will the Secretary of State acknowledge that, despite the Government's massive propaganda exercise, the customers of the YTS—the youngsters—do not believe that they will receive that which they most desire, which is full-time permanent employment, at the end of the scheme? Does he further acknowledge that YTS is no longer about providing a permanent bridge between school and work, to use the fine words that were used when the scheme was launched four years ago, but is more a gangway to the dole queue for about one third of the youngsters, who fail to obtain a job when they complete their scheme?

Will the Secretary of State confirm that, despite all his assurances about no job substitution, one undesirable spin-off from the YTS has been a dramatic reduction in apprenticeships, and that a one-year or even a two-year scheme is not a proper replacement for a well planned three or four-year apprenticeship scheme as organised by the engineering industry training board? The collapse of apprenticeships over the past five years has resulted in the skill shortages about which the Secretary of State now complains. Will he confirm that many employers are showing a marked reluctance to become involved in a two-year scheme unless there is a substantial increase in Government money for them.

Is the right hon. Gentleman aware that parents, trade unionists and the Labour party are not satisfied that enough effort has been put into health and safety cover for youngsters on YTS? Far too many youngsters are suffering unnecessary accidents. Will he try to improve the involvement in YTS of the Health and Safety Executive?

Does the right hon. Gentleman agree that the allowances that he has announced are a scandal and that the Labour Government paid an allowance which would be £37 a week at today's prices? That should be compared with the Government's proposed £27·30 for the first year and £35 for the second. Do the Government have any plans ever to pay young trainees a fair allowance?

Is the right hon. Gentleman aware that the Labour party would welcome a comprehensive two-year training scheme for young people which included an education allowance which allowed academically gifted youngsters from poorer homes to remain in higher education, which would guarantee employment for the vast majority of youngsters at the scheme's end? It is obvious that the nation will have to wait for a Labour Government, who will expand the economy and get the country moving again, before such a scheme can be put into operation.

Mr. King: I do not think that I am the only hon. Member who regarded that as an extraordinarily sour response to an announcement which is extremely good news for all youngsters coming out of school, as it will improve their prospects. It is especially sour as it comes from the spokesman of a party which considered introducing such a scheme and then refused to approve it and was not prepared to put forward the necessary funds. Instead, Labour introduced the youth opportunities programme, which had no training content and offered nothing like the prospects for the future that our scheme offers.

When I listen to the sour attempts of the hon. Member for St. Helens, North (Mr. Evans) and some of his colleagues to score party political points, I am much more impressed with the attitude of the TUC, which has unanimously supported these proposals. I take comfort not from the hon. Gentleman's statement but from the comments of young people on YTS. All the evidence shows that there is increasing support for the scheme and increasing recognition of what it does. As from next year, every 16-year-old school leaver will be assured of two years of good training and work experience. Every parent should know that too. The country has never previously been able to offer that assurance, but we are determined to achieve it.

Mr. Andrew Rowe (Mid-Kent): Is my right hon. Friend aware that this development is widely welcomed? In view of the extraordinary farrago of nonsense that we have just heard from the hon. Member for St. Helens, North (Mr. Evans), it is worth observing that, when the engineering industry training board came to see some of us the other day it said that it wanted to shorten apprenticeships, not to four years, but to about two and a half years. It is nonsense for the Opposition to claim that the earlier scheme offered by that training board is better than what is now proposed.

Mr. King: I think that the hon. Member for St. Helens, North is involved in the engineering industry, and his comments about apprenticeships were those of the old world, which offered that type of training. We do not want a limited number of people attending schemes on a time-serving basis, or access for only one age group. We want to open training, if possible to all ages, but certainly to widen opportunities for young people. We want training that is based on the achievement of standards, rather than on time serving. That is the modern approach, and what the TUC supports. I am delighted to have that support.

Mr. Ron Leighton (Newham, North-East): Is the Secretary of State aware that he has a great responsibility to get this right, as many trainees already do not stay the whole of the first year, and therefore the second year must be a big improvement on the first? Many employers are

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not sure that they can keep trainees interested for two years, so schemes must be improved and more must be put into them. The Government are not putting in enough money. They are trying to get the scheme on the cheap. The Government are trying to get two years for the price of one. If they are really concerned, they should be willing to put in the money.

Is the right hon. Gentleman aware that the level of allowances that he has announced is not high enough, and that part of maturing to adulthood is having one's own money and using it? Is he further aware that what we need is a proper inquiry into the funding of a proper scheme?

Mr. King: I appreciate the hon. Gentleman's more moderate and constructive approach, in relative terms. I know of his interest, as Chairman of the Select Committee, which also has taken an interest in the YTS. The hon. Gentleman will recognise that we are looking to employers for a major contribution in the launching of the new scheme. In looking at the finances required, it is not sufficient to look just at the Government's contribution. The scheme is based very much on employers, who recognise its value, making their contribution as well. The hon. Gentleman said that he was looking for improvement. I pay tribute to my predecessors who launched the scheme. It is a remarkable achievement, but we are continually looking for improvement. We shall certainly look to the second year to make a greater improvement in the quality of the scheme.

Mr. Michael Howard (Folkestone and Hythe): Will my right hon. Friend confirm that, contrary to the assertions of the hon. Member for St. Helens, North (Mr. Evans), the scheme has in fact proved an effective route to long-term employment for young people? Can my right hon. Friend give the House the latest figures for the percentage of those who, on leaving the scheme, continue in employment or further education?

Mr. Evans: The figure is 48 per cent.

Mr. King: I am glad to have that piece of heckling from the hon. Gentleman, so that I can correct the totally erroneous figure that he has given. He quoted a figure of 48 per cent., which happens to be a small sample of a few trainees in October. In response to my hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard), the overall figure for those going on to full-time jobs or going back to further education or training is about 70 per cent.

Mr. David Alton (Liverpool, Mossley Hill): I give the Secretary of State's announcement a qualified welcome. Will he also tell the House the number of people who are dropping out of the scheme in any given month? One figure that was suggested was 56 per cent. for one month. Will the right hon. Gentleman do anything to implement the proposals of the Manpower Services Commission for improving the quality of some of the schemes concerned? Has he repudiated entirely the suggestion made by the Secretary of State for Trade and Industry that people who are involved in these schemes might lose their supplementary benefit?

Mr. King: The position has been made absolutely clear by myself, by the Prime Minister and by everybody else concerned. We have no proposals on that matter. The hon. Gentleman sought to discuss the number dropping out of the scheme. I hope he will recognise that a number of the so-called drop-outs go off into full-time employment and take jobs elsewhere. I do not regard that in any way as a failure. We intend the scheme to give youngsters a good start in life. Some respond more quickly than others. Some find that they can go out and get other jobs that may reward them better. I do not regard that as disappointment. We want to give all the youngsters a better start in life. In considering these matters the House should recognise the real achievement that has been made. I pay tribute to the commission and the work that it has done in putting forward the proposals. It is a challenge. It will not be easy to meet it. I am grateful for all the work that has been done by the commission and by all the staff in bringing forward the proposals.

Mr. James Couchman (Gillingham): Is my right hon. Friend aware that today's announcement will be much welcomed in my constituency which has high unemployment for the south-east of England and where there has been a dramatic loss of apprenticeships over recent years? Is he further aware that I have one of the excellent ITECs in my constituency? Can he offer any hope that he will extend the courses provided by these excellent colleges for youngsters who are similarly qualified to those going on YTS? Will there be any hope of a vocational qualification at the end of a possible two-year ITEC course?

Mr. King: As my hon. Friend said, ITECs have been a considerable success. Indeed, I visited two schemes—one in Glasgow and the other in Cumbernauld, which are both areas of significant unemployment. The managers reported that they were placing more than 90 per cent. of the youngsters in full-time jobs at the end of their ITEC courses. We are studying ITECs in particular, because this announcement does not cover them. Further study is being made to ensure that ITECs can continue effectively under the two-year scheme.

Mr. Andrew F. Bennett (Denton and Reddish): Does the Secretary of State want to attract people from full-time education to YTS courses? Is he aware that during the past two years the number of youngsters staying on in education has declined, almost certainly because of the attractions of the YTS training allowance? Would it not be a good idea to treat those who remain in education and those who attend YTS in the same way for the purpose of allowances?

Mr. King: I notice that the hon. Gentleman and his hon. Friends are making bizarre proposals, which will be fairly expensive, if allowances are paid to those in full-time education and to those in YTS. We believe that it is right and fair to pay a training allowance. We have also made it clear that we are determined to ensure that it remains a high quality training scheme and to improve its quality. Therefore, I make no apologies if we moderate the training allowance in the interests of maintaining the quality of training on the scheme. That is overwhelmingly in the long-term interests of all youngsters on the scheme.

Mr. David Madel (Bedfordshire, South-West): As more people will be needed to train young people in this scheme, can my right hon. Friend confirm that a big effort will be made by the Manpower Services Commission and employers to recruit people from among the skilled

unemployed to help with training in the scheme, which, among other things, would reduce the level of unemployment?

Mr. King: I am grateful to my hon. Friend for his comment. Perhaps I should emphasise that to launch a two-year YTS is a major challenge. It will be a major challenge to ensure that we have the places available and the staff to man the scheme. The role of employers will be significant, but, in view of their tremendous support for the one-year training scheme, I am confident that they will recognise both the challenge and the opportunity tnat this expansion of training will bring.

Mr. Eric Deakins (Walthamstow): Is not the DHSS policy on board and lodging allowances completely at odds with the policy which the Secretary of State has announced today? If young people cannot get a job locally now, unlike previously, they will not be able to get a job anywhere.

Mr. King: I do not follow the logic of that argument. We are determined to ensure both that training is available and that opportunities exist locally. I am not, therefore, sure what the hon. Gentleman's point is.

Mr. Robin Squire (Hornchurch): I congratulate my right hon. Friend unreservedly on his announcement today. In the light of the sustained and co-ordinated Marxist-led campaign against YTS, which this afternoon has unfortunately found an echo on the Labour party Front Bench, will my right hon. Friend redouble his efforts to ensure that the picture that is accurately projected is that of the vast majority of YTS trainees, who have found employment and also enjoyed the experience?

Mr. King: I am grateful to my hon. Friend for his comment. It is a little depressing that the Labour party, which used to criticise the one-year training scheme and say that it should be a two-year training scheme, still cannot find it in its heart to make anything other than sour and grudging comments when we produce fully costed proposals, make the resources available and give the scheme the priority that it needs. I would have thought that this was one issue on which the House could have united.

Mr. Derek Foster (Bishop Auckland): Will the Secretary of State admit that the numbers leaving YTS to go into work vary substantially throughout the country? In the north of England, for example, the figure can be as low as 30 per cent., and not 70 per cent. as is claimed. What will the Secretary of State do about that? What will he do in county Durham, where we cannot find sufficient employers to provide the scheme that he wishes?

Mr. King: The hon. Gentleman will notice that in my statement I referred to the way in which we shall fund schemes where there is a shortage of employer-based schemes. I recognise that the percentage of those who go into full-time employment varies up and down the country. That does not happen in the construction industry training board scheme. I saw some people from Durham and the north-east on an extremely successful course there, after which more than 90 per cent. find full time jobs. That variation does not occur with other training board schemes, either. We are determined to improve the chances of youngsters finding full-time work. The hon. Gentleman would be the first to say that YTS does that for youngsters. Those who have been on a scheme are much more likely to have the chance of a job.

Several Hon. Members *rose*——

Mr. Speaker: Order. I have to bear in mind that today is an important private Members' day, but I will allow questions to continue for a further 10 minutes, making a full half hour for Back Benchers.

Mr. Tony Baldry (Banbury): Will my right hon. Friend confirm that a two-year YTS has nothing to do with fiddling the figures, exploitation or any of the usual destructive criticisms made by the Opposition, and has everything to do with ensuring a constructive vocational and voluntary training scheme which will lead to high quality qualifications? Does he agree that the Treasury support of £3,800 per trainee bears interesting comparison with the £3,600 in West Germany, the only difference being that in West Germany every penny is paid by the employers? Is it not time that all employers in this country began to look on training, not as an on-cost, but as a valuable investment in their future?

Mr. King: As my hon. Friend has said, our financial commitment to the scheme is substantial. This development of the scheme certainly puts greater responsibility on employers, but I am confident that they will respond to the challenge. Everyone who has worked with the scheme recognises that, although there may be variations in the terms and arrangements, the scheme is here to stay. It is a major and fundamental improvement to the opportunities for young people in this country and we are determined to make it work.

Mr. Robert Maclennan (Caithness and Sutherland): I wholly welcome any expansion of the youth training scheme, which cannot guarantee employment but which makes the prospect of a job much more likely. What steps is the Minister taking to ensure that in areas of high unemployment, especially the sparsely populated areas of Scotland, where employers are most hard-pressed to find places, the Government will do their utmost to ensure that the approved training organisations are not handicapped by a lack of response from employers?

Mr. King: As I have said, I have agreed with my right hon. Friend the Chancellor the amount of Government resources to be made available for the scheme, but the scheme depends on a partnership with employers and other providers of training. The record so far is good. There was the great success of ensuring that we met the guarantee that every 16-year-old leaving school and wanting a place on the scheme could be offered a place. We intend to carry that forward to try to meet the needs and aspirations of all young people in this respect.

Mr. Michael Colvin (Romsey and Waterside): In the recent defence debate anxiety was expressed about the difficulty of finding British crews to man ships flagged out and manned by foreign crews when requisitioned in case of hostilities. Will my right hon. Friend use his good offices to try to persuade ship owners to be more constructive and to offer more YTS places? Does he agree that a year ashore and a year at sea could begin to establish a Merchant Navy reserve which could serve this country well in times of hostilities? As this will require instructors, will my right hon. Friend consider extending job release arrangements so that men with lifelong experience and skills in industry and the armed forces taking early retirement will be available to become instructors in the youth training scheme?

Mr. King: I have consulted the greatest living authority on the youth training scheme, my hon. Friend the Minister of State, who is sitting beside me, but neither of us can answer off the cuff in relation to merchant shipping. I shall look into the matter and write to my hon. Friend.

Mr. Harry Cohen (Leyton): Does the Minister agree that 4 per cent. is a miserly increase and that the original £25 allowance was too low in the first place? How can youngsters be expected to build an independent life on £27·30? Would Conservative Members expect their children to be able to do so? Is it not true that there are no real jobs for young people at the end of the scheme?

Mr. King: The hon. Gentleman's last comment was a characteristic piece of rubbish and shows that he had not been listening to the earlier exchanges. The resources that we have made available and to which we have given priority are limited. It is our responsibility to determine the balance between the funds going into the value of the training and those going into the training allowance. Given that many of these youngsters' contemporaries are still in full-time education and receiving no resources at all, the balance that we have struck does not seem unfair. In the past two years we have sought to raise the allowance a little, but I think that we have struck a fair balance and that the resources that we have made available will be widely welcomed by young people.

Mr. Gerald Malone (Aberdeen, South): Does my right hon. Friend agree that it is important that the schemes concentrate on practical, technical skills? Is he aware that the Tullos training centre in my constituency, which does just that, achieved a 93 per cent. success rate in finding employment for the young people last year and hopes to better that record this year? As for providing incentives to improve take-up, could not the incentive scheme be extended to the Opposition? Perhaps more of them would then turn up to debate these matters.

Mr. King: I was most interested to hear of my hon. Friend's experience of the scheme in his area when I was there last Saturday. There is no doubt that there are now some outstanding schemes with exceptional records, going as high as 100 per cent., in placing young people in full-time jobs. The average, however, is still not as high as we should like. The challenge that we face is to bring all the schemes up to the standard of the best.

Mr. Gordon Brown (Dunfermline, East): Given that the credibility of the scheme rests on the proportion of young people who go into real jobs afterwards, will the Minister stop quoting anecdotes and minor surveys and give reliable figures about how many young people actually find jobs? As the outstanding feature in West Germany is that 10 times as many young people gain recognised qualifications, will he tell us how many young people in this country will gain recognised qualifications as a result of the scheme, and how many employers will be involved?

Mr. King: I am surprised at the hon. Gentleman, as I thought that the took a reasonebly close and intelligent interest in these matters. We are continuing to monitor the outcome of the scheme. Figures are published every month and they are available in the Library if the hon. Gentleman wishes to consult them. We are anxious to get the fullest possible picture. As for anecdotes, I referred to the construction training board, which had about 17,000 trainees last year and a success rate of more than 90 per cent. in placing those youngsters in jobs. I do not regard that as an anecdote. It is a very significant sample.

Mr. Roger Gale (Thanet, North): Does my right hon. Friend agree that the qualifications available through the YTS are likely to be of greater value than the sweat shirts, teacups and other gimmickry offered by the Labour party last week? Will he do all in his power to market the value of the qualifications, so that young people are not discouraged by the utterly negative attitude of the Labour party?

Mr. King: One of the most exciting aspects of the scheme, on which I am not yet able to advice the House further, is the work being done to integrate the qualifications available at the end of the scheme. As I said in my statement, we aim to give all young people in the scheme the opportunity to achieve a qualification. Intensive work is being done to try to integrate the qualifications with those of the City and Guilds, the Royal Society of Arts, the Business and Technician Education Council and other qualification-granting bodies, to ensure that young people achieve the first step on the ladder which can take them on to further qualifications.

Mr. Kenneth Carlisle (Lincoln): Is my right hon. Friend aware that in Lincolnshire 88 per cent. of those who were on the scheme in the first year have now found work or further training? He mentioned the quality of training in the second year. That is a good aim, but we must work extremely hard to achieve it. How will we make sure that the quality of that training really is up to a second year?

Mr. King: Having given my approval today to the broad framework, the detailed work will now proceed following an intensive round of discussions with all those concerned — educationists, training providers and employers — to ensure that the second year of YTS meets all our expectations.

Mr. Hugh Dykes (Harrow, East): Will my right hon. Friend dismiss, ignore and forget the disgruntled and bitter comments of the Opposition and their supporters on the extent of the scheme, which is widely welcomed by all parts of society? Does he agree that in certain sectors, such as retail, there are still substantial anxieties about the validity, content and depth of the second year? Will he ask the MSC to have discussions with the retail industry to see what will go into the second year content?

Mr. King: I recognise that concern has been expressed about the retail sector. A colleague commented that while in this country I can be asked whether we can justify a second year of training, if I were a German Minister I would be asked why we have fewer than three years training. One of our greatest ambitions is to get a better understanding of the value of training and to make it applicable to every activity and occupation.

Mr. Evans: The Secretary of State injected into his announcement a comment about a new training inspectorate. What will the role of that body be? Can he assure us that it will be adequately funded and staffed to monitor the approved training organisations? May I make clear to the right hon. Gentleman and all of his hon. Friends that the Labour party would welcome a fully comprehensive two-year scheme to train young people, which is not what we have had today? What has been

announced today has more to do with massaging the unemployment figures prior to the next general election than with training young people.

Mr. King: It is difficult to choose between the hon. Gentleman's first and second contributions. That attempt somehow to retrieve some of the ground achieved by his pathetically sour initial intervention was not worth the effort. The training standards advisory service will in many ways be analogous, although not at all comparable, with Her Majesty's inspectorate in the schools. In other words, it will examine and monitor the performance of the training providers to ensure that training standards are kept up to scratch. I am sure that the hon. Gentleman will support that. If the new service is to do that, we are determined to give it the resources to do a proper job.

BUSINESS OF THE HOUSE

Ordered,

That in respect of the Further Education Bill *[Lords]*, if the Bill be committed to a Committee of the whole House, further proceedings on the Bill shall stand postponed and that as soon as the proceedings on any Money Resolution come to by the House in relation to the Bill have been concluded, this House will immediately resolve itself into a Committee on the Bill. — *[Mr. Neubert.]*

Housing

4.12 pm

Mr. David Winnick (Walsall, North): I beg to move,

That this House deplores the Government's very substanial reduction in housing public expenditure which has occurred in the past five years, and which has resulted in considerable hardship and indeed misery for so many unable to be offered rented accommodation; also recognises that much essential improvement and major repair work cannot be undertaken by local authorities, or owner-occupiers on limited means because of the cuts; and calls on the Government to reverse its disastrous housing financial policies and to allow local authorities and the voluntary sector the means to build the necessary accommodation as well as allowing urgent improvement work to be carried out in both the public and private sectors.

This debate takes place against the background of an acute housing crisis. A large number of families and single people are now without adequate and secure accommodation, and many are forced to live in substandard housing and often overcrowded conditions. Homelessness is continually increasing.

In London alone, bed and breakfast accommodation is costing the boroughs £1 million a month—a sum that would be sufficient to pay off loan charges on 3,000 new council dwellings. In England and Wales, 1·25 million homes are now unfit for human habitation, and 1 million homes lack one or more basic amenities such as an inside toilet, bath or hot water. Across the country 2·5 million homes are seriously affected by damp, and 3 million homes each require immediate repairs that will cost £2,500 or more.

Between 1979-80 and 1985-86—the current financial year—there has been a 68 per cent. reduction in real terms in housing public expenditure, from £4,522 million to £1,431 million. The figures for central Government subsidies to local authority housing show that in 1980-81—a year after this Administration came into office—the amount spent was £1,423 million. In the current financial year, it is just £400 million, a reduction of more than £1,000 million. Those figures explain why there is now a housing crisis and so much housing hardship and misery, so much of which stems from the lack of rented accommodation.

Ministers are fond of saying—we shall no doubt hear the same today—that cuts took place under the previous Labour Government. I do not deny that. There were cuts, of some of which I would not approve. It is unfortunate that the housing programe was adversely affected during the last two or three years of the previous Administration, but one should compare those cuts with the cuts made under the present Government. There can be no doubt that the present cuts go much, much deeper. Moreover, they are part of the philosophy adopted by the Government towards public sector housing.

I have accepted that there were cuts under the previous Labour Government, but it is interesting to note that in 1978 — the last full year of that Government — the number of new public sector starts was more than 107,000.

Mr. Terry Dicks (Hayes and Harlington): Will the hon. Gentleman give way?

Mr. Winnick: Not yet. Perhaps the hon. Gentleman will allow me to continue for a while longer, especially as a number of hon. Members wish to take part. I shall give way, but not at the moment.

The number of new council dwellings started last year was the lowest in peacetime — 39,500. However, the

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estimate for the current year is that just under 32,000 new council dwellings will be started throughout the country. When one compares those figures with the 107,400 starts in the last year of the Labour Government, one can understand what I mean when I say that the housing cuts carried out by the present Government go so much deeper than anything that occurred under the Labour Administration. In addition, fewer private dwellings were started last year than in 1978.

Mr. Peter Shore (Bethnal Green and Stepney): Perhaps I can reinforce and bolster my hon. Friend's already powerful argument. In the last two years of the Labour Administration, the Government persistently overprovided for housing sums that were not taken up and spent on new housing by the predominantly Conservative district and borough councils which existed then.

Mr. Winnick: I am grateful to my right hon. Friend, who had responsibility for such matters during the last Labour Government. We know of his deep concern on this issue.

Because of Government diktat, local authorities can now spend only 20 per cent. of their capital receipts whereas about two years ago the Prime Minister told us that local authorities should spend on new capital projects. She explained why it was necessary for local authorities to do more. Now not all the money that local authorities raise themselves can be spent. As a result, about £5 billion is frozen at a time when there is such a desperate shortage of adequate housing.

The Minister for Housing and Construction (Mr. Ian Gow): Does the hon. Gentleman agree that if the policy on which the Labour party fought the last election were in operation today there would be no capital receipts at all?

Mr. Winnick: I anticipated the Minister's question. Two points should be made. One, as my hon. Friends and I have asked time and again, is that if it is right for local authority tenants to buy, why is it not right for private tenants? Secondly, under a Labour Administration, there would have been, as my right hon. Friend the Member for Bethnal Green and Stepney (Mr. Shore) has explained, a different approach to housing from that adopted by the Minister and his colleagues.

Mr. Frank Field (Birkenhead): My hon. Friend is aware that there are differences of opinion within the Labour party about the sale of council houses, but those of us who advocated the sale of council houses did so on the basis that new funds would be available for local authorities to spend on new projects. We were arguing that by selling, councils were forgoing the possibility of reallocating accommodation in the future for cash now, but that that cash should be spent on replacing housing stock. Is not one of the deceits of this Government that they adopted that policy and sold it on that basis, but have ratted on that commitment?

Mr. Winnick: My hon. Friend is right. The Minister would be in a stronger position, even allowing for the fact that we all know why private tenants are not allowed to buy, if he said that the Government believe, and have acted accordingly, that council tenants should be able to buy but that there is a responsibility on the Government to make sure that that which is sold off can be replaced. However, as my hon. Friend explained, the Government have done the opposite. They have been keen to sell at a large enough discount to encourage people to buy but, far from trying to ensure that such buildings are replaced, the very opposite has been the Government's policy.

The number of people employed in the construction industry is 300,000 fewer than in 1979. That figure can be compared with the labour force survey for 1983, the last figures that are available. That shows that some 257,000 unemployed people seeking work had been employed, as their last job, in the construction industry. That figure will, I am sure, have increased in the past 18 months to two years.

When I spoke about the Conservative Government's attitude I had in mind a particular point. I had thought it proper to give the hon. Member for Hornsey and Wood Green (Sir H. Rossi) notice of this, and I believe that he was trying to come to the debate, but perhaps he has been prevented from doing so by various duties. The hon. Gentleman was, during the time of the Labour Government, the Tory spokesman on housing and construction. He gave an interview to the *National Builder* in which he was asked a number of questions on the basis that his party could win the May 1979 election, as it did. He is quoted as saying:

> "Thus, in our view, local authority activity should be directed towards helping those sections of the community that by definition cannot help themselves. The emphasis will be on sheltered housing for the elderly, special housing for the disabled and for the very poor who just cannot manage . . . the need is not there."

In many respects, the hon. Gentleman is to be commended, because he was as frank as one could wish. In the main, Ministers do not use such frankness. The hon. Gentleman set out what is now Conservative Ministers' philosophy—local authority dwellings are not necessary, there is no need for them except for the poorest and the elderly, and the rest can get a mortgage. In essence, that sums up Ministers' attitudes and that is why we are facing such a housing crisis.

It is a myth, and a very dangerous one, that, except for the very poor, the rest of the community can simply get a mortgage and purchase its own accommodation. Owner-occupation has grown, and I welcome that. In the 1960s, the Labour Government took certain steps that assisted people on limited means who could not otherwise obtain a mortgage to get one. We have always been in favour of encouraging people, if they so wish, to become owner-occupiers. What is far from the case is that everyone except the very poor can solve housing problems by going along to the local authority or building society and obtaining a mortgage.

For the first-time buyers, the average dwelling price in Greater London last year was £32,635. The average advance was over £26,000. In the west midlands, as one would expect, the figures are lower. The average first-time price was £18,429, but the average advance was over £16,000. To quote building society statistics, the average income of people who have borrowed for the first time in 1984 in London was nearly £13,000. In my part of the world, the west midlands, it was £8,555.

Even when one takes into consideration that there may be two incomes in the household—often, although the wife's income is taken into account, when the children come she may stop working—and even if one leaves aside, as I have no intention of doing, the level of

unemployment, particularly in the west midlands, it must be pretty obvious to Ministers, especially the Prime Minister, that a large number of people are simply not in a position to purchase. They are not earning enough to get an advance so that they can afford to purchase in London or the west midlands. They do not earn that sort of money now, and Ministers are of course saying that there should be low, or no, wage increases.

A large number of people, whom I would not describe as very poor and who manage to get by as long as they are permitted to work by the Government, have a fairish income. However, they do not have the sort of income that would qualify them for a building society mortgage. They do not have sufficient income to pay off such a mortgage over 20 or 25 years, pay rates on the property and keep it in full repair and maintenance. That is my point.

Therefore, there remains a clear need for rented accommodation. That need will not be met by the private sector. It is another myth that if one allows the private sector to revive through encouragement, it will meet demands. It will not, and there is no evidence that it will.

Mr. David Ashby (Leicestershire, North-West): Two points need to be made. The hon. Gentleman talks about the private sector, so I shall be interested to hear what he has to say about housing associations, which cater for a real housing need in the areas about which the hon. Gentleman has talked. The other point is that, now that he has told us about people on low incomes, I should be interested to hear about those who are on high incomes but living in municipal accommodation.

Mr. Winnick: That is another one of the Tory myths. We all know about Tory propaganda about a Rolls-Royce and perhaps even a Daimler as well outside the council house, owned by people who are going on holiday four times a year to all parts of the world. Perhaps I am naive, but I had believed that at least that Tory myth was no longer in circulation. However, the hon. Gentleman has shown us that, when it comes to council houses and tenants, the Tory mind has not changed much.

The Minister boasted about shorthold tenancies, but is there any evidence that that is doing anything to satisfy housing need in London or elsewhere? Why are so many people now in bed and breakfast accommodation? Why are local authorities spending the sums that I quoted at the beginning of my remarks if shorthold tenancies are the solution? The truth is that people will invest in the private property market only to the extent that they get a rate of return that they would not get elsewhere. They have no wish to provide accommodation at the level of rents that ordinary people can afford.

Mr. Allan Roberts (Bootle): Perhaps my hon. Friend will ask the hon. Member for Leicestershire, North-West (Mr. Ashby) whether he suggests that quite wealthy people who live in council housing which is now unsubsidised and from which the Sefton council makes a profit should move into owner-occupation so that they may receive large subsidies and income tax relief from the Exchequer.

Mr. Winnick: My hon. Friend has asked an interesting question to which I am sure the hon. Member for Leicestershire, North-West (Mr. Ashby) will want to respond. The hon. Gentleman made a valid point about housing associations, but they form part of the Opposition's argument because, like local authorities, their funds have been cut so deeply that they cannot do their job.

In the borough of Walsall, no contracts for council dwellings have been entered into since 1979. Nor is there any hope under existing policies that there will be any such contracts. I ask the House to imagine a borough of the size of Walsall with no contracts having been entered into for six years because the council simply has not sufficient finances. Land owned by the council is being sold because it cannot be utilised by the authority. A great deal of work needs to be undertaken on older and mainly pre-war dwellings in the borough. Again there is not the money to do it.

In passing, I mention the Rosehill estate in Willenhall in my constituency. It was built before the second world war. The tenants have waited for years for their properties to be modernised. The conditions there are terrible.

I have written to the Minister a number of times asking whether he would be willing to meet a deputation from the Rosehill estate. The Parliamentary Under-Secretary of State has replied saying that it is not a matter for him. His view is that it is purely a matter for the local authority. The local authority tells me that it simply has not the cash to carry out the necessary work. It so happens that the tenants intend to come to London this month on a deputation and to go to Marsham street. I wonder whether the Minister will be courteous enough to see them — or will he remain indifferent to their plight and, even though they have travelled down from my constituency, will not spend some time putting forward his point of view and listening to theirs?

I have mentioned my area, but Birmingham has nearly 25,000 council dwellings in need of modernisation and major repairs. Only 40 are being attended to this year, again because of the financial crisis.

Local authorities have the added headache of putting right the defective prefabricated concrete dwellings in their ownership. The work has to be done out of the annual housing investment programme. On top of all their other difficulties and headaches, local authorities have to rectify the defects in concrete dwellings that require urgent action. No extra money has been provided. The Minister says again that it is up to the local authorities.

I do not deny that there was a substantial increase in the money provided to owner-occupiers for improvement grants. It helped many people buying their own homes who in many cases would not have had enough to improve them. However, once the Tories won the general election of 1983, they were not interested. Today, as a result, we have a large number of defective houses whose owner-occupiers, many of them pensioners, do not have the means to put them right and to whom local authorities say, "We are sorry, but we have not the cash to give you improvement grants."

What sense is there in that? I remind the House that when the necessary work is eventually undertaken, it will be much more expensive. I cannot understand why the Government will not give owner-occupiers on limited means the chance to put their houses right and to make them adequate for the coming winter. But, again, there is no response from the Government.

In the last published data on housing investment in different countries, Britain is seen to spend just 2·1 per cent. of its gross national product on housing. That figure has to be compared with 6·1 per cent. in West Germany,

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5·7 per cent. in France, 5·6 per cent. in Italy and more than 5 per cent. in the Netherlands. It is difficult to find an advanced country spending as little as we do on housing investment.

I suppose that in some respects today's debate is a trailer for the inquiry into British housing whose report is to be published on 25 July. That inquiry was under the chairmanship of the Duke of Edinburgh. There has been one leak concerning a possible recommendation about mortgage interest relief. But it would be unfortunate if that was the only attention that the media gave to that report. I have not seen the report, of course, but I have seen the evidence to the inquiry. That shows the damaging state of British housing and the need for the type of investment about which I have been speaking.

When the report is published, it should provide the opportunity for a debate not merely in the House but in the country and an awareness of what needs to be done, of the terrible condition of so much of our housing stock and of the misery and hardship of so many people who desperately require decent housing.

Mr. Dicks: How does the hon. Gentleman define housing need? Does he differentiate it from housing desire? The very definition often dictates a building programme the cost of which can be extremely heavy on the public purse. Will he define housing need?

Mr. Winnick: The hon. Gentleman is, I believe, the former chairman of a housing authority. I am myself a former member of a housing authority. When, as a Member of Parliament, I undertake my surgeries and when I receive letters from young married couples desperately in need of accommodation who have nowhere to live and no chance of buying their own homes, I understand perfectly what need is. I remind the hon. Gentleman of the huge numbers of people in bed and breakfast accommodation and the many people on housing waiting lists who desperately need accommodation. If the hon. Gentleman is saying that there is little housing need, it shows only too well that he is unaware of what is happening, probably in his own constituency.

Mr. Willie W. Hamilton (Fife, Central): Why should my hon. Friend expect a sympathetic reply from a Government headed by the right hon. Member for Finchley (Mrs. Thatcher) who in the last few weeks has been photographed with her husband, Denis, looking at private houses built by Barratts adjacent to Dulwich college at prices of from £350,000 each? Is she in need of housing?

Mr. Winnick: I do not know whether the right hon. Lady is in need of housing, but I know that a great many of our constituents are, including many constituents of Government supporters. It does those constituents no service to try to minimise the need, the hardship and the housing misery that so many of them have to face.

This year marks the centenary of the Royal Commission on working-class housing. Its report 100 years ago revealed the ghastly conditions in Victorian Britain. It may be that some Government supporters believe that those were good days and good times.

I make no apology for repeating in this debate that there are two matters of the utmost importance to ordinary people which, apart from personal happiness and good health, affect their lives more than anything else. The first is the chance to earn a living and the second is to be able to have decent and secure accommodation. The accusation against this Administration is that by their policies they have taken away the opportunity for many people to have jobs and have denied many an opportunity to have proper and adequate homes.

All that we are asking from this side of the House, as we have done on so many previous occasions, is that the Government should allow local authorities to build and modernise the accommodation that is needed. It is no use Ministers coming to the Dispatch Box to say that it is a matter for local authorities. It is futile to argue like that when local authorities like mine and so many others are prevented by Government financial policy from doing what is necessary and from carrying out their statutory responsibility.

How can I criticise my council, which is not under Labour control, for not doing what is essential when all the figures prove that it does not have the means to do so? The responsibility lies with the Government, with the Cabinet, and with those Ministers sitting round the Cabinet table in 1979 and 1980 who made decisions on housing that have caused so much housing hardship. That is where the responsibility lies and that is why it is so important that the matter is debated.

Time and time again Ministers have refused to accept the immense harm that their housing policies are causing. Part of our accusation today is that they have shown at times callous indifference to the housing plight. They are not interested. They boast about the number of dwellings that have been sold in the public sector, but they are completely lacking in interest when it comes to new build, modernising, or assisting now — not before the last general election but since—those owner-occupiers who do not have the means to carry out essential work such as roof repair.

I have no illusions. When I was interviewed by a local radio station about today's debate I was asked if I was likely to convince Ministers. I said, "No, I do not have the power." With all due respect, I do not believe that any of my right hon. or hon. Friends have the power to do that. The Government are blind, dogmatic and indifferent to the sort of problems that we are raising today. I do not believe we shall change Government policy, or that there is any possibility of change until we turn this Administration out, but, as Labour Members, our responsibility to our constituents is to raise these problems, and to use the House of Commons as a forum to explain the hardship and misery of our constituents and the desperate need for more rented accommodation.

4.43 pm

Mr. Michael Latham (Rutland and Melton): I begin, as always when speaking on housing or building, by declaring a long-standing financial interest in the building industry. I have been employed by a large building company since 1975 and have been connected directly with the industry since 1967. I am also a vice-president of the Building Societies Association, though that is an entirely voluntary and unpaid position.

It is disappointing, but perhaps not surprising, that the hon. Member for Walsall, North (Mr. Winnick) has chosen to draft his motion in terms which he knows well will be unacceptable to the House as a whole. We do not

debate housing often enough in the Chamber, and it would have been better if he had tried to concentrate today on areas of common ground on which the House collectively could press Ministers, rather than use words such as "deplore", "callous" and "disastrous", which will obviously push up the political barriers and lead to unproductive exchanges of political fire from behind tribal stockades.

Everyone who specialises in housing policy, as the hon. Member does, knows well that the trend, ever since the late Anthony Greenwood's housing White Paper in 1969, has been to concentrate upon improvement work and a steady diminution of rented construction in the public sector. Indeed, our biggest single problem in housing over the next decade will be to find the money to put right many of the structural and social horrors which arose from the mass system building campaigns of 20 years ago, which began with the big council housing drive instigated in 1963 by my right hon. Friend the Member for Leeds, North-East (Sir K. Joseph) and my right hon. and learned Friend the Member for Hexham (Mr. Rippon), and which was continued by the late Richard Crossman and the late Anthony Greenwood until Ronan Point fell down in 1968.

Mr. Allan Roberts: Was there anything wrong with the low-rise housing estates which were built in large numbers during the housing drive that started in 1945? Was there anything wrong with the Welwyn Garden cities and the Wythenshawes? Are those problem council housing estates?

Mr. Latham: I thought that the hon. Gentleman knew more about housing and realised that most of the PRC houses that are causing problems now were built just after 1945. That is exactly what Airey houses were. The hon. Gentleman is showing his ignorance. He normally makes better interventions.

The biggest single period of improvement activity began with Anthony Greenwood in 1969. It was boosted dramatically by my right hon. Friend the Member for Brighton, Pavilion (Mr. Amery), in the Housing Act 1971. That lasted until late 1973. There was then a further big push between 1982 and 1984, following the 1982 Budget. No doubt all sorts of things can be deplored and condemned under both Governments, but those are the realities, as opposed to the crude polemics. When the hon. Gentleman was talking about 107,000 starts in the public sector in 1978, he did not say that the figure for 1975 was 174,000.

I want now to forget about the regrettable motion and to concentrate on the wider housing scene. The current house building level in the public sector is very low. It follows a trend of sharp and virtually uninterrupted decline since 1975, both in starts and completions. The latest forecast from the National Economic Development Council expects a further decline over the next two years. My view is that the level of publicly rented construction is now so low that we should be giving it more impetus for specialised needs. There should be more activity to build for the elderly and disabled, and especially for those who are living alone. With an aging population and all too many family break-ups, all hon. Members know from their constituency experience that much of the available council housing stock is three-bedroomed family housing unsuitable for the elderly or single people. The private sector has made a contribution in recent years, but it cannot deal on its own with all the specialised needs and there should be more public sector provision.

In regard to improvements, I accept at once that the 1982 scheme of widely available 90 per cent. repair grants was intended as a short-term boost for building and that it led to unsustainable levels of public spending. Nevertheless, the latest trends for improvement work are disturbing. A total of 77,600 buildings were improved with the help of grant or subsidy in the first quarter of this year, a fall of 26 per cent. on the comparable quarter of 1984. Repairs in the private sector showed a 58 per cent. fall. Of course, that reflects the withdrawal of the short-term 90 per cent. grant. Private sector conversions and improvements fell by 44 per cent. I fear that the 1983 imposition of VAT on alterations may be taking its toll, as well as the lengthy queues of grant seekers, many of whom will be disappointed because of the empty coffers of local authorities with their reduced housing investment programmes.

That is why I must express regret yet again to Ministers at the decision implemented as from 1 April to reduce the proportion of their own capital receipts that local authorities can spend in any one year. I am thankful for the small mercy announced last week that there is to be no further moratorium, but I wish that Treasury Ministers would consider the real economy before requiring reductions in capital receipts spending from 40 to 20 per cent., which, incidentally, I voted against.

The real position in the construction industry is that contract work for medium and small firms remains very hard to get and that margins are tight. The large firms have been bidding for medium-sized contracts which they would not have considered a few years ago, and the small reputable builders are being outflanked for domestic repair and improvement work by unregistered traders, some of whom are cowboys, and by no means all of whom ensure that every penny of the tax that they lawfully owe finds its way to the Inland Revenue.

The industry is far from overheated. I am sorry to read that Ministers are still rejecting calls for more construction, on the ground that it would all be carried out by imported plant and would make little contribution towards reducing unemployment. Improvement work, for example, uses little plant and is heavily labour-intensive. It also uses plenty of materials, such as bricks, tiles and guttering, most of which are made by British workers in British factories. It would cost the Government little, if anything, if local authorities were able to use more of their capital receipts to provide more improvement grants. They already have the money, and a high grant programme would generate considerable activity in the manufacturing sector, which is allied to construction.

Mr. Frank Field: Is it not true that that argument applies also to new build? The Anchor Housing Association, which operates in my constituency, analysed what happened to its expenditure and found that, even for new build, practically all the sums were spent on wages, contributions, tax and national insurance, and that few materials, apart from timber and kitchen equipment, were imported. In looking for a means of stimulating the economy and increasing employment without sucking in imports, should we not pay attention to that aspect of the matter?

Mr. Latham: I agree with the hon. Gentleman's general proposition and have advocated it many times. However, I am concentrating on improvement work, because I believe that that is where the main needs are for our housing stock.

I must say reluctantly that I think that the Green Paper on improvement grants, which was produced the other day, is a deeply disappointing document. It is subtitled "A New Approach", but the newest aspect of the approach is that it envisages following these proposals without much public money. The press notice that accompanied the Green Paper said that owners were primarily responsible for their own properties and

"should receive appropriate help and encouragement in fulfilling that responsibility."

Unfortunately, the Green Paper's proposals will result in the appropriate help for most people being nothing.

I accept that grants were too widely available in recent years, and there is a strong case for targeting them more to properties that need renovation and to people who need more help. Indeed, the Public Accounts Committee, on which I serve, said so. The proposal in the Green Paper to restrict any mandatory grants or the new discretionary loans to persons eligible for housing benefit is far too harsh a qualification. I agree that more needs to be done to improve the take-up of grants by the elderly and the unemployed. Last year, the second permanent secretary in the Department of the Environment, Sir Peter Harrop, told the Public Accounts Committee that those people were under-represented among grant receivers. It is possible that the new equity-sharing, interest-free loans proposed in the Green Paper will help the elderly, but we all know that many older owner-occupiers do not bother to apply for grants, not only because of the cost of the work, but because they cannot deal with the fuss and bother of having builders about the house. They prefer to put up with unacceptable housing conditions rather than experience the initial disruption that would lead to a better environment. That is a very human reaction, and nothing in any Green Paper can change it, nor should we try to do so against their wishes.

I shall outline one simple example of the people who will be excluded from grants under the new arrangements and who are not upper middle class trendies gentrifying Islington. A young and newly married male shop assistant and his hairdresser wife have a combined income of, say, £140 a week. They have not yet started a family. They want to buy a small terraced house in a medium-sized midlands town. This house is just within their financial reach with a joint mortgage, but needs a lot of work to be done on it. They will not be eligible for housing benefit. They may not be able to afford to buy a new house, and under the Green Paper's proposals they will be entitled to no grant to help them to improve the 80-year-old home which they want to buy. Surely such people should receive some help or encouragement.

The alternative would be public sector rented housing, if any were available, or the terraced house remaining in an unimproved state and their standard of living deteriorating I should have thought that helping such people who want to help themselves would be a high priority for a Conservative Government. I hope that Ministers will use the extended consultation period, for which the Green Paper provides, to go back to the Treasury to insist upon a wider spread of availability of grants or loans under the new system. The present position will be unreasonably restrictive. It will lead to less work for the industry, a sharp decline in the amount of improvement work and a deterioration in housing stock as a whole. I hope that the White Paper, or Bill that follows the consultation period, will not have the Treasury's fingerprints all over it. It should be directed primarily towards

"Encouraging the Repair and Improvement of Private Sector Housing",

the very words on the front of the Green Paper, and not towards reducing the public sector borrowing requirement.

I hope that that section of the Green Paper dealing with cowboy building will be significantly strengthened. The small works sector of building is plagued with fiddles and abuses, which were well revealed by the Director General of Fair Trading in his consultative document in March 1982 and his final report in June 1983. Some atrocious rip-offs take place and there is plenty of shoddy workmanship. To some extent, the public are the authors of their own misfortunes. They have not supported the warranty schemes which have been produced by the Building Employers Confederation or the Federation of Master Builders, preferring to take the lowest price offered by an unregistered trader and sometimes paying the real price afterwards in poor quality work.

It is three and a half years since the Director General of Fair Trading suggested that local authorities should restrict improvement grant to work done by reputable firms, and two years since he firmly made that recommendation. It is disappointing that the Green Paper repeats and endorses Sir Gordon Borrie's proposals two years later, but only on the basis that the Government intend discussing them with the building industry and local authority associations. What is there left to discuss? The proposals are clear and are spelt out in the Office of Fair Trading report. Why can we not implement them, as a number of local authorities are already doing?

We should be involving the building societies and banks, getting them to ensure that the finance that they extend goes to work performed by reputable traders who pay their taxes and build to a standard that justifies their loan and enhances the value of the house. We should be coming forward with the wider package of consumer protection measures that were recommended two years ago by the Director General of Fair Trading. Those measures included cooling-off periods of at least seven days for double glazing or solar heating contracts signed in people's own homes, and a legal duty that home improvement contracts should be in writing.

Such protection is already given for insurance policies and for some forms of credit agreements. It is high time that some action was taken in the home improvements sphere in which contracts of several thousands of pounds may be involved. I hope that Ministers in the Department of the Environment and in the Department of Trade and Industry will act speedily and with determination to protect the consumer in his own home from the wily con man, the unskilled itinerant jobber and the high pressure salesman.

I have one final proposal about improvement grants which is radical and would require legislation. Local authorities will always have problems regulating the flow of improvement grant money. When the tap is turned on fiercely, as in 1982, the bath sometimes overflows all over the floor. When it is abruptly turned off, as in 1984, the plug is pulled out as well and the bath runs dry. It took months for local authorities to gear themselves up for the

last big push on grants and, by the time things were in full swing, the economic position was changing. We ran into cuts in capital receipts spending, moratoria and retrenchments.

The system of local authority RSG penalties, targets, annual accounting years, and so on will always cause major hiccups in running a long-term improvement drive. As local authorities act largely as financial agents for the Department of the Environment over improvement work, why not transfer this agency work lock, stock and barrel to the building society movement? Why not say, "This year, the Government will allocate, say, £700 million for improvement grant work"? That is about the net income for the building societies in one poor month. Why not say to them, "We shall reimburse you up to that extent plus" — or, if necessary, minus — "a sum towards your administrative costs. You can then advance it for home improvements and top it up, where necessary, with further mortgage advances"? Building societies do not have the same financial constraints as local authorities. They can act more flexibly, are highly respected and deal every day with the public. They are non-profit making and are supervised by the official Registrar of Building Societies.

I commend that proposal to the Government. I point out that this November we may well have a building societies Bill. I believe that radical action of this type would help to give new momentum to the Government's housing strategy. I hope that it will be seriously considered.

5 pm

Mr. Robert C. Brown (Newcastle upon Tyne, North): The House should be grateful to my hon. Friend the Member for Walsall, North (Mr. Winnick) for having given us this opportunity to debate the nation's serious housing situation.

I am delighted to take up the remarks of the hon. Member for Rutland and Melton (Mr. Latham), who always speaks with deep knowledge of his subject and with authority and courage. On Friday morning of this week I shall be joining the hon. Member for Berwick-upon-Tweed (Mr. Beith) at an open forum on housing, which is being organised by the northern region of the National Housing and Town Planning Council. The secretary of the council, Mr. Birkett, told me this afternoon that, in spite of personal approaches to many Tory Members of Parliament, the Tory Chief Whip and the Tory north regional office, he has not succeeded in getting one Tory Member of Parliament to grace the platform on Friday morning. So much for the confidence of Tory Members of Parliament in their Government's policy.

I do not think that the House will be surprised that I intend to devote the whole of my speech to the housing problems of the city of Newcastle upon Tyne. All the capital figures to which I shall refer will be at constant 1983-84 prices.

The city's capital programme is part of a declining overall budget, such that the reallocation of resources to areas of growing need is not an option that is open to the council any longer. That is particularly the case for housing. Because of the control of capital expenditure by central Government, the city has been unable to meet housing needs since the Government were elected. Since 1980, more than 3,600 houses have been sold, reducing the city's stock to 47,000.

Two problems have arisen from those sales, but I am not complaining about the sale of council houses. The first problem is that the sales have been all—or almost all—in areas of better-quality housing in the more attractive estates, such as the Grange estate in the Gosforth area of my constituency. By September 1983, hardly any flats or maisonettes had been sold, whereas 11 per cent. of our three and four-bedroom council houses and 10 per cent. of our large bungalows had been sold.

Secondly, although those sales have generated capital receipts, the council has been allowed to spend only a portion of this income—let me emphasise that it is its own money—on capital investment in new build or the improvement of present stock. Therefore, it has been impossible to replace lost houses by new investment. My hon. Friend the Member for Walsall, North was right to say that council houses which have been sold should be replaced, and the council should be allowed to build new houses.

I say good luck to all those who have bought their own council houses. They are getting a good buy. In the main, they have lived in the houses for many years and many will probably finish their days in those same properties. I have no time at all for the cant and humbug that council houses should not be sold to sitting tenants. Having said that, councils should have the right to spend the money derived from those sales. The ratepayers have paid for the houses that are being sold, so they should recoup from the sale of the houses and spend their own money, as it were, on improving the existing housing stock, because improvement is needed urgently.

Between 1979-80 and 1983-84, Newcastle city council spent £150 million on capital expenditure, including capital receipts from council house sales. In that period the housing improvement programme allocation from the Government was cut from £31·6 million to £14 million, and it is only £11·2 million in the current year. The Minister does not need to be a mathematician to realise that that is a savage reduction in the housing improvement programme. Capital spending in the past five years was 40 per cent. less than in the previous five years.

Housing takes 70 per cent. or more of the capital programme, and as a result it has taken the brunt of the cuts imposed by the Government. Since 1982-83, we have not been able to build any general housing for rent. I do not recall any period in my lifetime, apart from odd years during the war, when the city council has not been able to build homes to rent. In the last full year of Labour government, the city council completed 1,368 new houses. Last year the figure was nil. In my view, it is a monumental disgrace that any major city should find itself in a position of not being able to build one house to rent.

The rate at which we can undertake major repairs, rehabilitation, and improvements is pathetically inadequate. To maintain the quality of the present stock, 5,000 pre-war houses still need full modernisation, 3,000 pre-war houses need major external repair and 10,000 post-war houses have had no investment in their physical fabric since they were built. Thus, completed modernisations—of which there were 650 in 1978-79—were down to 298 in 1982-83, and that has happened in a period of ever-increasing housing need. In 1981-82, there were 75 applications each month from homeless people who were priority cases. The latest figures show more than 90 applications each month. That means that we have 20 per cent. more homeless people now than in 1981-82. No Minister should be proud of that fact.

[Mr. Robert C. Brown]

The same sad story can be told of the elderly. At the start of 1981, there were 2,500 old people on the city waiting list. In April 1984, the figure was 4,000. Those people have no hope of being offered housing in the near, or even in the far, future.

The housing programme of Newcastle, like every other major city, has been mercilessly reduced as a result of the Government's economic policy. Within an increase of 8 per cent. in public expenditure, largely to cover the cost of an added 2 million unemployed, housing expenditure has been cut by 70 per cent.

All areas of the country have been affected, but none so badly as the northern region, which has had savage cuts inflicted year after year in the housing improvement programme allocation. The effect has been devastating. The impact of cuts on the scale suffered by Newcastle, coupled with the reduction in the use of capital receipts —our own money—has been alarming in every type of programme to meet housing needs. I re-emphasise that it is three years since any family housing has been started.

Our programme of sheltered housing, which is so badly needed to get the elderly into the type of homes guaranteed to help their survival through cold winters, has been cut from four units to two units each year. It is more than likely that next year will see no new starts at all. What a devastating future for old people who have served their country and locality well.

The tragic reduction in council house building was, sadly, matched by a reduction in private house building until 1981. The upsurge since then has had only a marginal effect on waiting lists. In Newcastle, more than 8,000 people are wanting council homes for the first time. The council has encouraged — the Minister will be pleased about this — "build for sale" schemes, but they have added only 350 new homes in the city in the last three years.

Like many hon. Members, every weekend I see unhappy people who are desperate for a decent home in which to live, or who plead for help with badly needed repairs. Much of our weekends are taken up with the harrowing misery caused by the actions of the Government.

I ask the Government to increase substantially the level of basic HIP allocation so that housing authorities may respond to the Government's stated priorities of improving housing stock and of providing accommodation for those who cannot afford to buy or for those with special needs.

I ask the Government to introduce a three-year programme of investment so that we may bring to an end the stop-go spending policies which have had such a damaging effect on housing programmes, and not least on the construction industry.

I ask the Government to allow local authorities to be permitted to spend their own capital receipts from the sale of their own assets without any further interference from the Government.

I make those requests even in the face of the Government's latest public expenditure White Paper, for I cannot believe that further cuts in housing expenditure in the public sector are acceptable either to the public of Britain or even to the vast majority of Conservative Members. I can well understand why not one Tory Member wishes to travel to Newbiggin-by-the-Sea on Friday of this week to defend the Government's shameful housing record.

5.13 pm

Mr. Richard Ryder (Mid-Norfolk): I congratulate the hon. Member for Walsall, North (Mr. Winnick) on initiating the debate and on the way in which he moved the motion, but I must at the outset take him up on the point that he made about first time buyers, because that issue is constantly being faced by the Government. I had hoped to hear some advice from him about the way in which Labour Members would deal with it were they in government, but alas such advice was not forthcoming.

The Government's policies which the hon. Gentleman attacked are based mostly on extending freedom of choice and competition in the housing market. I congratulate the hon. Member for Walsall, North on assisting the process of extending competition and broadening freedom of choice, for he supported the House Buyers Bill in December 1983, of which I was a sponsor. That measure, the promoter of which was the hon. Member for Great Grimsby (Mr. Mitchell), was designed to break the solicitors' monopoly on conveyancing and to reduce conveyancing costs. Since then, according to the Consumers Association, conveyancing costs throughout the country have fallen by 30 per cent., despite protestations in December 1983 from the Law Society and many solicitors that conveyancing prices were not too high.

Much else has happened in the interim. A consequence of the introduction of the House Buyers Bill was a commitment from the Solicitor-General, reaffirmed by the Prime Minister in the House on 20 December 1983, that the Government would bring forward legislation to enable solicitors in banks and building societies to undertake conveyancing.

Since December 1983 we have had a rearguard action from the Law Society, suggesting that conflicts of interest would arise, if solicitors in banks and building societies were enabled to undertake conveyancing. The Law Society and many solicitors overlook the fact that the legal profession is already riddled with conflicts of interest. For example, solicitors often act for the borrower and the building society. Moreover, solicitors often receive commissions from building societies for advising clients to invest their money with them.

It is sheer hypocrisy, therefore, for solicitors and the Law Society to mount this rearguard action on their own behalf and to claim that conflicts of interest should prevent the Government from introducing legislation originally promised by the Solicitor-General and later reaffirmed by the Prime Minister.

The Law Society's rearguard action has been taken seriously by me. Until recently I had an open mind on the subject, but that has been closed by two recent speeches, one by the Director General of Fair Trading and the other by Professor Julian Farrand, the chairman of the conveyancing committee established by the Lord Chancellor. Both speeches were made at the Building Societies Association conference in Eastbourne, a town ably represented by my hon. Friend the Minister for Housing and Construction. I am sure that my hon. Friend does not need reminding of the content of those speeches, but for the benefit of hon. Members who may not have heard them I shall quote briefly from them.

Sir Gordon Borrie, Director General of Fair Trading, said:

"I am sure, for example, that house purchase would be much more convenient for the buyer if a building society were allowed by new legislation to offer not only loan finance but also various other related services such as surveying and conveyancing under one roof. If building societies (or some of them) chose to develop 'one-stop shopping' for housing in this way it will also lead to greater competition with others who provide such services and this should benefit house buyers whether they opt for 'one-stop shopping' or not because competition from building societies will keep everyone on their toes."

Mr. Ashby: I have no interest to declare, because, as a barrister, I am not allowed to convey property. That is solely within the province of solicitors. Is my hon. Friend aware that he is just substituting one monopoly for another and that there will be no protection for purchasers if building societies are permitted to convey property? Has he considered whether allowing building societies to convey property is in the best interests, not of the wealthy — they will always have solicitors — but of the most vulnerable, namely, the general run of people who go to building societies?

Mr. Ryder: I am grateful for the intervention of my hon. Friend, who is a barrister, not a solicitor, and knows a great deal about the subject. I shall deal with that matter in my closing remarks, because the Consumers Association has just completed a survey which shows that the reverse is true.

Professor Julian Farrand also spoke at the Building Societies Association's annual conference in Eastbourne. Professor Farrand's committee has reported on whether the solicitors' conveyancing monopoly should be broken. He said in Eastbourne:

"I would have thought that logically the practice rule prohibiting solicitors acting for vendor and purchaser in a conveyancing transaction, with its list of exceptions, should apply equally to solicitors acting for lender and borrower—for mortgagor and mortgagee. In so far as it does not apply, then I think the Law Society is on weak ground in suggesting that there might be unsurmountable conflicts of interest, if building societies offer this integrated house buying service."

I stress that I had an open mind on this subject until those two speeches were made. The fact that they came from the Director of Fair Trading and Professor Farrand — probably the leading authority on land law — has convinced me that it would be a great mistake if the Government were not to maintain the commitment made by the Solicitor-General and the Prime Minister.

It seems that the Government are still considering what legislation to introduce. There is a real risk that the Law Society and its friends have managed to convince some Ministers—I dare say not all—that it would be unwise to introduce legislation. Yet I hope that legislation to enable solicitors in banks and building societies to undertake conveyancing will be introduced in the next Session, so that the promises will be kept.

I hope that the legislation will ensure that a code of practice is drawn up so that no potential conflicts of interest arise. People can consult solicitors about their mortgages if they wish to have independent advice. If they wish to pay more money for the independent advice of solicitors who are not employed by banks or building societies, they are free to do so.

The recent survey to which I referred in response to my hon. Friend the Member for Leicestershire, North-West (Mr. Ashby) showed that only 11 per cent. of home buyers consult solicitors about mortgages. There is no reason why in future they should not consult solicitors independently of the building societies and the banks.

If I believed that legislation would reduce freedom of choice and competition, I would oppose it. If I believed that it would reduce the number of banks and building societies, I would oppose it. If the Director of Fair Trading were against the legislation, I might also be against it. None of those conditions applies. That is why I hope that legislation will be introduced in the next Session to help first-time buyers and home owners who, on average, move once every seven years. In my constituency such legislation would be of great assistance to young couples. I shall support such legislation.

5.24 pm

Mr. Simon Hughes (Southwark and Bermondsey): Charles Dickens, who had some links with Southwark, wrote "Bleak House". It is no coincidence that the last edition of a newsletter put together by a respected Southwark organisation, the Housing Advice Research Unit, was entitled "Bleak Housing".

This debate is about the prospect of housing for the future. Although the Liberal party does not share the views of the hon. Member for Walsall, North (Mr. Winnick), I can say without reservation that the Liberal party and I agree with every word in his motion. The motion states that Parliament should deplore the Government's housing policy. Without exception, the prospect is one of complete darkness, with little relief from a vision of gloom.

There is a comparison which comes to mind between the attitude of the Secretary of State and his cohorts to housing and King Midas. Everything that King Midas touched turned to gold and he found that that was not satisfactory. The Secretary of State makes a positive decision not to touch most of our deteriorating housing stock. There is an unmitigated chorus all round him from every section of the community while he watches and witnesses everything that he does not touch crumble away. The Minister for Housing and Construction, who is an exponent of the great she-god monetarism, looks down and applauds the market place as the place to assess the validity of Government policy. The Minister should be aware — I believe that he is beginning to get the message—that down there in the market place hordes of people are looking up and asking, "What about us—the homeless and the badly housed?"

As the Minister will know, bad housing is not only a problem in Southwark and Bermondsey. This week, our eyes are focused on Brecon and Radnor, which I visited last week. On a council estate in Crickhowell, I called on a lady with six children, whose husband must work away in Wigan for six days a week because he cannot get a job locally. Her house is in appalling condition, and she would like to move, but Brecknock district council has no alternative accommodation to offer. Therefore, she must bring up her children in poor accommodation.

The premise from which those of us who oppose the Government's housing policy start is that it is fundamentally misconceived, because it derives from an economic policy that is fundamentally wrong. It does not do what the House should accept should be the criterion for housing policy — meet the housing needs of the British people.

The construction industry has suffered especially from the Government's fiscal and financial policies. Since the

[Mr. Simon Hughes]

Government came to power in 1979, there has been a long series of sales of public assets, which bring in billions of pounds a year, and the right-to-buy legislation has produced the massive sale of council housing, which is also bringing in billions of pounds a year. It is the wrong time to cut, because now that we have this money we should be funding expenditure on housing needs. It is no good watching the crack in one's wall get bigger and bigger, and saying, "I cannot afford to borrow now, but I might be prepared to do so later." After about six years, that crack may be irreparable and the house may be falling down. The Government should follow the advice that is given to them from many quarters and increase their public sector borrowing, put that money into housing, and give us the housing infrastructure that we need.

The Minister will have seen the report published by the Building Employers Confederation a couple of weeks ago, which made it clear that such a policy would not be inconsistent with other things that the Government would have us believe they want. Research shows that investment in building would offer the Government better value for money than the tax cuts that the Chancellor of the Exchequer continually promises, but which no one believes can be delivered, and challenges Government assumptions that the cost per job would be prohibitively high.

The research shows — the figures are important, because the Minister always argues about figures—that £500 million per year spent on building over five years would create 55,000 jobs at a cost to the PSBR of £198 million per annum, or £3,600 per job, whereas a £500 million per annum stimulus in the form of tax cuts would create only 20,000 jobs at a cost to the PSBR of £278 million per annum, or £13,900 per job. One does not have to be a mathematician, let alone an Isaac Newton, to realise that, on the figures produced, the Government's policies are entirely misconceived.

We hope, therefore, to hear today that the Government are beginning to think again. We hope perhaps to hear that they will respond to the Audit Commission's report on capital spending, which made it clear that the restraints on local authorities, preventing them from spending the money that they have raised, are a misguided policy.

The Secretary of State for the Environment said that he welcomed the report of the Audit Commission and then, with bland understatement, went on to say:

"The Commission has drawn attention to flaws in the present system which the Government had already identified". — [*Official Report, 8 May 1985;* Vol. 78, c. 786.]

The flaws are so enormous that I hope the Government will accept that the system must be changed in the coming year. Local authorities, as one of the three strands of those responsible for building housing, need the money to spend to meet the demand that still exists for rented accommodation in the public sector. I ask the Government to accept that they have a duty to each of the three strands, the public sector, the private sector, and the voluntary sector — the housing association sector through the Housing Corporation. As I said earlier, I hope that the Government have already begun to respond to that duty.

There was a report in a journal that, after a meeting that the Minister and his colleagues held with representatives of the voluntary sector in May about homelessness, the Ministers appeared to be alarmed; they appeared to be rattled by the severity of the problem. Therefore, I hope that the Minister will respond today to some of the points put to him at that meeting. In particular, I hope that he will say that his Department will support the proposals to give the Land Registry the ability to draw attention publicly to empty property in the private sector—that is where most empty property is—so that, with a publicity campaign supported by the Government, it can be opened up for use. I accept that the Minister is concerned about the enormous amount of unused empty property. I hope that he will do more than issue the circulars that he has issued since he became Minister, and will attack the problem of the 500,000 empty homes in the private sector which could be used without the expenditure of a great deal of effort and money, because they are already available.

I ask the Minister to say today that he will follow that proposal, and others, and perhaps do something further about lifting restrictions on mini housing association grant, as well as requiring local authorities to keep a register of empty properties. I ask him also to impose on local authorities a duty to consider the use of empty property. The position is desperate. We need to use all the empty properties that are available if we are to begin to solve the problem of homelessness, which is particularly acute in the cities and among the young.

Mr. Allan Roberts: The Minister has removed restrictions on mini-HAG without making an extra penny available through housing associations grants or bringing empty properties into use. I do not altogether agree with the hon. Member that all the empty properties in the private sector can be brought into use without any expenditure. The expenditure required is less than is needed to build new houses or to improve and renovate old houses, but extra money is needed, and the Minister's statement is without any real value unless he makes extra money available for mini-housing association grant for empty properites.

Mr. Hughes: Not only do I agree with the hon. Member; it has been the underlying theme of the last three announcements about housing: the inner-city action teams — co-ordination but no more money; the mini-HAG changes — no more money; and the last inner-city initiative for bringing local authority housing back into use — new scheme, no money. That does not show any great commitment so far, and I accept what the hon. Gentleman said.

In addition to trying to use empty property, we have to look after property which is in a bad state of repair. We gather that the Green Paper will not now result in legislation in the coming Session. Once again we have a statement of policy without the provision of more money. Indeed, we shall see a reduction in the money provided for home improvement. That is a bad and misguided policy, for as the condition gets worse the amount of money needed becomes greater.

There should be requirements for basic standards of habitation. In the private sector there should be a system of mandatory grants. Means testing for unfit owner-occupied property would deter applicants and not be consistent with the aim of ensuring the survival of our housing stock. I accept that money is tight, but we have to look at the greater requirement, which is to ensure that there are homes fit for people to live in, and more fit rather than less fit in the future. The Government's policy will not achieve that aim.

All homes should have safe and adequate wiring as a condition of payment of part of the mandatory grant. Action must also be taken with regard to unfit unoccupied homes. I should like the Minister to consider mandatory action by local authorities, offering owners the choice of taking action themselves—there are parallels already in housing legislation—or having action taken by the local authority and a charge being made to the owner. There are parallels and precedents, and I ask the Minister to extend the provision beyond what is now provided by legislation.

The hon. Member for Bootle (Mr. Roberts) referred to the housing associations and Housing Corporation sector. I hope that the Minister will respond today to the Housing Corporation's corporate plan, which was published two weeks ago. I would also welcome some comments from him on the report of the working party set up by the Institute of Housing, in which local authorities and housing associations took part. The Government have said that they wish to decrease municipal housing and thereby enlarge the voluntary sector, but we need an increase in municipal housing and in the voluntary sector too. Therefore, the housing associations and the Housing Corporation need more money. It is not possible to support their good work—which they have proved they can do —without making more money available. I do not mind whether it comes from the finance houses, the banks or the building societies, as opposed to the Government kitty, but it must be made available.

Ministers have received representations about money for areas such as the London docklands. Unless money is provided now, the private sector — in most cases at prices well beyond the range of local people—will take up the land and space available, and the opportunities for large-scale housing association developments for rent for the local community, co-operatives, and so on, will be lost, and, once lost, will not return.

There are more than 100,000 people waiting to move from one local authority to another within London, either because their families or their jobs have moved. I ask the Minister to help the local authorities in every way he can to provide a much more effective system of nomination and transfer. The system has not been working well. There are many examples of delays. When people make requests to move, they should be considered quickly and efficiently, enabling them to occupy properties which would otherwise remain empty.

I expect that within the next two weeks the Local Government Bill will be coming back to this House. That is, of course, the Bill by which the Government intend to abolish the Greater London council and the metropolitan county councils. The Minister knows that a key provision of that Bill removes the rights which at present are vested in London local boroughs and which enable them to enforce as against the GLC the repair and renovation of the housing stock which was transferred from the GLC to the boroughs. That transfer mostly took place in 1981, though in the case of Tower Hamlets it occurred only today.

Southwark has 23,877 former GLC properties, most of which are in my constituency. The GLC intended to spend £128·5 million on renovating some of those homes, most of which are flats, on appallingly run-down estates. The sum allocated to Southwark for that work this year is £24·9 million and for 1986 it is £24·1 million. Those sums are inadequate. The Government should honour the word of a previous Secretary of State for the Environment who promised that those properties would be made fit to live in. Estates, such as the Tabard garden estate, the Draper estate, the Rockingham estate, the Alvey estate and others along the Old Kent road and around the Elephant and Castle, are in an appalling state and require renovation. The Minister is aware of the condition of those properties, and he must guarantee that the repairs will be done.

I beseech the Government to reconsider their London housing policy before they steamroller people with their proposals to abolish the GLC and forget that people's lives, homes and children would be affected.

The Minister knows that one of the key problems in Southwark is that there is no new public sector housing. Land is being developed apace in the docks. We must ensure that the price of the land, whether for private sector housing association or local authority development, is such that it will provide the opportunity to meet the needs of the local community. It is wrong that along the river two-room flats are being built at a cost of £250,000, while there are pensioners whose heating systems do not work and other people who have nowhere to live.

Resettlement centres, such as the Spike centre at Camberwell, will close soon and the single homeless will have to go to the local authority to be housed. The mentally ill will be returned to Southwark, from places such as Darenth park, to be rehoused. Unless more housing is provided, such needs will not begin to be met.

I recall that a previous Conservative Government accepted the premise that we should be building a country fit for heroes to live in. The Macmillan Government continued building so that we could house people belonging to this country. I ask the Minister to accept that it is now his duty and that of the Government to build and provide houses fit for ordinary people to live in. He must fulfil that obligation.

5.42 pm

Mr. Roger King (Birmingham, Northfield): I congratulate the hon. Member for Walsall, North (Mr. Winnick) on initiating this debate on housing. I represent an outer city constituency with inner city problems. Those problems are dominated by housing.

One must first establish the size of Birmingham's problem. The Labour administration in the city of Birmingham has no doubt that housing is a major catastrophe. It has spent a not inconsiderable sum of money on informing every householder and municipal tenant of the size of that problem. It has issued a glossy brochure and other informative literature which show that the Government allowed the city to spend about £70 million this year on housing, whereas the problem can only be tackled by the expenditure of £220 million per year for the next 10 years. It is not surprising therefore that some of my constituents have written to me to ask where the balance of the money will come from and why the Government will not fork out the finance necessary to solve the city's housing problem.

A breakdown of where the expenditure is needed shows that some is required in my constituency. Where is the funding to come from? I replied to my constituents that the Government have allowed £70 million worth of expenditure. However, the Labour administration has said that it ought to spend £220 million. I had to say that no Government could possibly afford £220 million a year.

I may be wrong, as I have not consulted any member of the Labour party or of a possible future Labour Government. Their policy may be to find £220 million for

[Mr. Roger King]

the city of Birmingham for the next 10 years. If Birmingham has problems with its 135,000 municipal dwellings, the same must apply to Liverpool, Manchester, Sheffield, Nottingham and other cities. One could multiply £220 million per year, five, six, seven, 10, 12 or 15 times to accommodate the problem.

I do not disagree with the sum involved, but if it is Labour policy to find that sum I ought to alter the letter that I sent to my constituents and tell them that a future Labour Government will find £220 million for the city of Birmingham for the next 10 years. I look forward to anticipating that that pledge might be forthcoming this evening.

The problem of defective housing affects a number of my constituents. Those problems have been exaggerated and have now been expanded to cover all forms of prefabricated reinforced concrete housing. Constituents anxious to sell properties which they bought 10 or 12 years ago, or more recently, seek advice on how they can sell those properties. There is nothing wrong with the properties. They are structurally sound and have been surveyed by estate agents and building societies and found to be perfect, but they do not attract a mortgage. Those properties are blighted because they come under the heading of PRC-type houses.

Building societies should pay more attention to the problems of those people who are having difficulty selling property in order to move to a bigger home or to relocate somewhere else. It is wrong to blight a type of house because it is constructed in a specific way when all forms of survey show that it is perfectly sound. Building societies should surely treat each application on its merits. If the property is sound, the society should grant a mortgage and encourage people who have invested their savings in that type of property to sell and move, as the owners of more conventional types of housing do. Smith-type housing continues to cause difficulties and the problems in the city have recently been highlighted by the publication of a sizeable report on the structural condition of Smith system housing. Most hon. Members representing Birmingham, and others, will have had copies of that report.

The city council has considered the problem of Smith houses which have been built elsewhere as, to qualify under the Housing Defects Act 1984, the defect must be found nationally. The council reported on the condition of Smith houses in Leicester, Cardiff, Wolverhampton, Sandwell and north Warwickshire—3,228 in all, not all of which have been purchased. The report concludes:

"It is obvious from the investigations carried out of Smith's houses in the various authorities visited that the inherent defects in the system are manifesting themselves throughout the country. In all cases other than Birmingham, the defects apparent are not associated with 'sulphate attack' to the concrete ground floor."

In addition to the defects found elsewhere, Birmingham has a problem with sulphate attack to the concrete ground floor.

The report continues:

"The defects in all authorities visited relate to inadequate tying in of the panels, inadequate lateral restraint at both first floor level and eaves, thermal and moisture movement, and rusting of the reinforcing handling bars . . . It would appear that the Minister, when making his decision not to designate Smith's houses, was misled or disregarded the Building Research Establishment's published findings regarding the national level of defects and the future maintenance problems of Smith's houses."

I do not necessarily agree with the latter conclusion, but hope that, in the light of that report, my hon. Friend the Minister will examine it to see whether Smith houses can be included in the mandatory scheme. The problem associated with Smith houses is national, so they should qualify under the Housing Defects Act.

Another challenge open to us is the role of future house sales, especially in the municipal sector. Housing sales have tapered off somewhat in the past 12 months or so. Several theories to explain that have been put forward. One is that the threat of unemployment makes people unwilling to embark on the financial risk of a 25-year mortgage. I believe that many tenants simply do not wish to buy, although they have the choice and the funds. The problems of defective housing have served as a warning of what might happen, and people might not wish to live in the same area any longer.

The problem is how to harness the desire to buy and the opportunity to buy. I should like there to be a compulsory system of sale vouchers which would be issued to tenants up to a maximum of 60 per cent. of the value of their house. The vouchers could be used to buy the property presently inhabited or one in the private sector. I hasten to add that the vouchers should not be of the same value when used as a deposit in the private sector. Somebody who qualifies for a 60 per cent. discount to buy a council house should not be able to go along to Barratts and wave a 60 per cent. discount in front of the company. A 60 per cent. voucher on the municipal side might qualify for a 20 per cent. discount on a new house in the private sector.

The advantage of such a scheme is that tenants would go into the private market and vacate a council house, which the local authority would get for a small sum. It might be argued that the scheme would increase public expenditure, but local authorities are still building some houses. A brand new council house and all the infrastructure that it involves costs about £40,000. If a local authority can pick up a council house for just 20 per cent. of its market value, it would have a bargain. I hope that any future housing programme will note the opportunity offered by tenants being given some incentive to purchase houses in the private sector.

The one lesson that we have learnt from the problems of the public housing sector is that it would be folly to build on past mistakes and to think that we can build our way out of difficulties by providing ever more council houses. There is no sign of a growing desire for municipal housing. Even if Birmingham had a great deal of available land on which to build vast estates, it would be foolish to build them and to create in 10 or 15 years the very problems that we face now. Many people who want to buy a house must be encouraged to buy. As a result of the sensible policies that the Government are pursuing, they can afford to buy. Such people are being encouraged by various incentive schemes.

Mr. Chris Smith (Islington, South and Finsbury): Is the hon. Gentleman seriously telling my constituents—the 7,000 on the waiting list and the 9,000 on the transfer list—that they do not really want good and decent council accommodation? Is he seriously saying that they can spend £100,000 on buying accommodation in the area in which they want to live?

Mr. King: The hon. Gentleman has raised an interesting point, as he has mentioned the housing waiting

list. What is a housing waiting list? Every time we learn of a housing waiting list in Birmingham, we hear that it has increased by another 5,000 or 10,000. There is no great number of people sleeping in cars and tents. I accept that we must build more houses, but we must also consider what housing lists are and how they are made up. They are bandied about as evidence of huge pent-up demand for municipal housing, but I think that we should find out what the level of demand is.

Of course people want good, decent housing, but people should be got out of municipal housing into private housing, thus enabling those who must have municipal housing to be catered for. It is no remedy to build more and more of the same. We now realise, to our cost, that that causes even greater difficulty.

5.58 pm

Mr. Allan Roberts (Bootle): I am pleased that my hon. Friend the Member for Walsall, North (Mr. Winnick) has introduced this motion, which I support fully. A debate on these matters is urgently needed as the housing crisis is getting worse throughout the country.

I am pleased that the hon. Member for Hayes and Harlington (Mr. Dicks) has returned, because he challenged the Opposition to give some idea of our assessment of housing need. I am happy to stand by Conservative-controlled Sefton's assessment of need as supplied to the Secretary of State and the Minister for Housing and Construction on the form that the Minister sends out concerning housing needs appraisal. There is a massive shortfall between the resources that the Government have made to their council in Sefton and that council's assessment of need.

The Minister and the hon. Member for Hayes and Harlington would regard that authority as a paragon of virtue as it is one of the lowest rated metropolitan districts in the country, it has high rents, a profit on its housing revenue account and does not build many council houses. It asked for £21·83 million for this year's capital programme. Incidentally, the Labour members of the council suggested £35 million to meet its housing needs. The council believes, and says so every year, that if it takes notice of what the Government ask and does as it is told, it will be treated well. Its reward for doing as it was told, after asking for £21·83 million, was a HIP allocation of £6 million, hardly enough to provide the housing manager with pocket money to deal with the environmental problems that my constituents face on their council housing estates, and much less than the Tory authority wanted.

I wish to set my remarks in the context of the housing needs of Sefton, and to refer to the Wates houses in my constituency and how the Conservative council is refusing to implement the Government's Housing Defects Act. I also wish to comment on the building industry in relation to Stockbridge village. I wish to recount the saga of the joint venture scheme — joint venture schemes are supposed to be the answer to everything, according to the Minister for Housing and Construction. This particular scheme is the apple of the Government's eye because the guy running it is none other than Tom Baron who advised the former Secretary of State for the Environment, now Secretary of State for Defence.

Let us look at the HIP bid, the housing needs appraisal produced by the Tory council. I know that these figures are right because of my advice bureaux, the bureaux of Labour councillors in Sefton and letters that I have received. In the light of the housing needs, £6 million is pitiful. In Sefton, in the private sector there are 9,558 dwellings which are unfit, lacking basic amenities or in need of major renovation. If one adds to that figure the public sector requirement, the total is 13,534. On top of that there are 2,773 difficult-to-let council houses.

There are 6,690 vacant properties according to the assessment of need that the Sefton council has produced. Only 273 of those properties are local authority. Some 6,273 are in the private sector, standing empty and in need of council action to force private owners and private landlords to bring them into use or action by the council or housing associations to acquire them. The council and the housing associations cannot act. They have not sufficient money to deal with the properties should they acquire them, nor have they the money to give out as improvement grants if landlords or private owners wish to apply for them. All that is due to the Government's moratorium on applications for improvement and repair grants, which is imposed on Sefton and other parts of the country. In terms of mandatory grants, the council is still trying to process the 1982 applications that flooded in when the Government opened the floodgates just before the election and then closed them afterwards.

In Sefton there are 7,301 families on the waitling list. The active waiting list is 4,102 because Sefton hives off 3,199 which it terms as householders—people who rent from a private landlord in inadequate conditions because the council does not have the houses to offer them. That waiting list would vastly increase if there was a possibility of a single person or a family not on top priority being offered a decent house.

Mr. Ashby: Will the hon. Gentleman say what the waiting list was 20 years ago and what it was 10 years ago, and tell us just what his council has been doing in the intervening years?

Mr. Roberts: The council has not done a lot because it has been Tory controlled since local government reorganisation. The council has not even knocked down the unfit housing. It has built 200 to 300 houses a year. Since 1978-79 municipal stock has declined because losses through sales and demolition have been greater than additions through new build completion, according to a statement by the Sefton Conservative council. There has been a decline in houses to rent and a growing waiting list.

The waiting list has gone down, however, as a result of reviewing procedures and restrictions introduced by the Sefton Conservative council after local government reorganisation. However, even if one meets some of the demands and needs, the waiting list is likely to grow to fill the gap, because housing aspirations continue to increase as we provide better accommodation. If that was not true, we would still all be living in caves, and I hope that that process will continue. Even the standards and aspirations of the people of Sefton and the rest of the country of five years ago are not being met in the building programme, and the modernisation and improvement programmes.

Mr. Chris Smith: Will my hon. Friend compare the performance of Sefton with that of the London borough of Islington during the 1970s under a Labour council and with a Labour Government, when the housing waiting list was brought down from 15,000 to 7,000, with many families being well and decently housed by a Labour council?

Mr. Roberts: I am sure that that is true. Many other Labour local authorities have met housing need by building decent low-rise council houses for rent, with gardens.

I refer to the families on the Delacre estate in my constituency who have all bought their Wates houses. They come under the provisions of the Housing Defects Act 1984, but those people cannot sell the houses that they purchased because the building societies are refusing to give mortgages. One building society recently told a constituent of mine who bought a house on that estate that they were built for a short period—they do not have a long life—and that the building society will not accept them for loan or mortgage. The problem is that the council is avoiding its obligations under the Government's Housing Defects Act. In a letter to one of the tenants on that estate, the housing director wrote:

"the Council will not be prepared to re-purchase PRC properties, except in accordance with the provisions of the Act."

It is not the council's policy. One cannot argue with that. The housing director then spells out what are not the provisions of the Act:

"Flats in PRC buildings have to be re-purchased but, in the case of houses, the main form of assistance will be a Grant to finance repairs and only in specific cases of hardship would consideration be given to re-purchase as a means of assistance."

That is not what the Act says, as Mr. Steven Dumbell, who chairs the residents' group in that area, and the rest of the residents, are well aware. The local authority must give an assurance, and seek assurances from building societies, that those properties will have a future and can be sold on the open market. If they cannot be sold, the local authority has a duty to repurchase. I can understand Sefton trying to get out of its legal obligations because the money to repurchase has to come out of the pitiful £6 million, the pocket money that the Government have given to Sefton and its housing investment programme. It does not have the money to repurchase. But it will have to, and it will have to stand by my tenants, who have a right to require that.

I refer to the building industry and Stockbridge village, the one thing that is held up by the Minister as a wonderful example of joint venture schemes, with public money and the private sector, and the private industry, coming together in partnership to provide houses for sale, converting older council houses or mid-1960s council houses.

Let us look at the saga of that joint venture—it is worth looking at. Stockbridge Village Trust is headed by its main investor, Mr. Tom Baron, who is famous for having advised the former Secretary of State for the Environment, now the Secretary of State for Defence, on the building industry. He is at the centre of the terrible web. What is happening and has happened in Stockbridge village can be described only as the unacceptable face of private sector building. Recently a company was employed by the main contractors, none other than Barratt, which is employed by the Stockbridge Village Trust. That company was JGM Company Ltd., which went into liquidation, and a tin of worms was revealed. The managing director is James Gerard Mansfield. The company was employed over two years ago as one of the main sub-contractors on that development. It was given phase four, a contract for the development of houses that have still not been finished, although the company went into liquidation on 17 June 1985. Having made a mess of that contract, the company was awarded a contract called "Pot 15" with 120 houses. The snagging on each house has still to be finished, but the company has gone into liquidation.

The saga started at 4.30 pm on 18 February 1985 when the work force withdrew its labour because of threatened redundancies and threats of violence to their members. The threats of violence resulted directly from the work force objecting to the use of lump labour on the site. It was alleged that if trade union officials and other individuals did not leave the site, legs would be broken, and heads kicked in by unknown people. Subsequently, those unknown people told the work force that they had been approached to carry out the threats. The police have been informed, but so far nothing has happened.

After the withdrawal of labour, a series of meetings took place, involving the employer, J. G. Mansfield Company Ltd, Stockbridge Village Trust, headed by the well known Tom Baron, and representatives of the union concerned. A five-point plan was thrashed out and it was agreed to resume work fully on Monday 29 April. It was said that the 714 men employed on the site as lump labour would be offered direct employment, paying class I national insurance, and that if that were not accepted the appropriate unions and the Department of Employment would be notified, which is what the unions wanted in the first place.

Mrs. Edwina Currie (Derbyshire, South): The hon. Gentleman will undoubtedly remember Stockbridge village when it was called Cantrell Farm and was an overspill estate for Liverpool. Did he share with me the experience of visiting it before anybody started to renovate it? It looked as if a bomb had hit it. It had a high level of vacancies, an appalling crime rate, shopkeepers would not even open their shops during shop hours, but kept the shutters down and admitted people when they knocked on the door, and there was no other possible alternative but to raze the 3,500 houses and to send their occupants back to Liverpool where they came from. Would the hon. Gentleman have preferred that solution?

Mr. Roberts: I take it that the hon. Lady is defending the threats of violence and lump labour. If that is how she justifies what is happening, why did she not defend miners who were accused of violence on the picket lines? She should listen to all my allegations before she opens her mouth, and then she should decide whether she wants to defend the builders involved.

The meeting also attempted to resolve other problems. The workers and unions presented themselves for work on the appointed day, but work did not resume because the 714 lump workers continued to operate. Other meetings took place, and an agreement was reached between the employer and the union work force to allow the 714 men to finish the work assigned to them and then to work properly, not as lump workers. Everything seemed to be going well and the work force returned to work, when one worker received telephone threats to his wife and children. The threats were reported to the police and the trade union officials, but still nothing has happened.

On Wednesday 5 June 1985, the maintenance manager on the site, Mr. Alec White, who is a member of the Union of Construction, Allied Trades and Technicians received a message to report to the head office to discuss the work load with the employer. *[Interruption.]* We are discussing

the building industry because without the right sort of building industry, we cannot build the houses that we want. I am also talking about the abuse of public money.

At the meeting, which began at 1.35 pm, the employer, Mr. James Gerard Mansfield, said:

"Come in Alec, sit down. The first thing I want to tell you is that the environmental health have been on the phone and they reported that there is no asbestos involved. How soon can you get off the site?"

Mr. Alec White, the UCATT official, replied:

"Just me like, or everybody?"

Mr. Mansfield replied:

"You for starters. I want you off, and I want a new face there by Monday . . . Think very carefully about going on the sick. I want you off this site."

Mr. White said:

"If you want me off, why don't you sack me?"

Mr. Mansfield replied

"If I sacked you the other crowd would be out the gate again."

Mr. White said:

"I don't want nobody out of the gate for me."

Mr. Mansfield then said:

"Think very carefully about this. Think of your wife and kids, in case they have an accident. There are people in this city who will do it, and I am in touch with them, and I have the pound notes."

If the hon. Member for Derbyshire, South (Mrs. Currie) wants to defend such violence, she should stand up and defend it.

Mrs. Currie: As you challenged me, will you let me reply?

Mr. Speaker: Order. I did not challenge anybody.

Mrs. Currie *rose*——

Mr. Roberts: The hon. Lady has already spoken, and she defended establishment violence, which she obviously supports.

Mr. Mansfield continued:

"I want you off first, followed by Terry Mac, followed by Phil Lang, followed by Arthur White, followed by Frank Durham."

They are all trade union officials of either UCATT or the Transport and General Workers Union. Mr James Mansfield, who is employed by the main contractors for the Stockbridge Village Trust, then said that if he sacked the members whom he wanted to sack, he would ensure that they could never work again because he would provide the reasons why they had been sacked to the unemployment office.

Conservative Members may not take those allegations seriously. On Friday 14 June, that company was paid £19,000, and on the following Monday it went into liquidation. Part of that sum was public money, yet the company did not have the courtesy to tell the Stockbridge Village Trust that it was about to go into liquidation, and it has not yet finished the work. That is the unacceptable face of private sector building, which is administered by Mr. Tom Baron, who advised the former Secretary of State for the Environment.

I want answers to some questions. What is the relationship between the trust and that type of builder, and where does lump labour come into the equation? It is important to know that, when both public money and someone who advises the Conservative Government about building is involved. The threats of violence should be investigated. The police should do something about it. Their feet would not touch the ground if they were striking miners or building workers on a picket line. Nor would Conservative Members defend those threats of violence. The trust should be investigated because it is not publicly accountable.

Mr. Gow: If the hon. Gentleman has genuine grounds for believing that criminal offences have been committed, will he tell the House on which date he gave notice to the police of his belief?

Mr. Roberts: I do not have to do that. The people involved notified the police and came to my advice bureau on Saturday, because they had had no response from the police. I assure the House that J. G. Mansfield has not yet been interviewed, although the police have been informed. That is why I am raising the matter in the House now.

I want to know why the trust and the building firm have the same accountant. I want the Secretary of State for Trade and Industry and the Minister for Housing and Construction to inquire into the circumstances of the liquidation. Is it likely that that group of people will re-emerge as another building firm and be employed with public money elsewhere in Merseyside? The way things are developing that seems likely.

I should like assurances that the Department of Employment will not accept the validity of statements by the company's management about the work force and men who have been sacked or lost their jobs. The accusations are not made lightly. Stockbridge Village Trust receives large sums of public money, and the Government are the first to condemn and the police the first to act against violence on picket lines. I want the Government to condemn the intimidation of working people that brought them in large numbers to my advice bureau to complain.

Do Conservative Members think that it is appropriate for a building company such as Barratts, and a trust headed by Tom Baron to employ lump labour on a massive scale, and to fiddle the system? They are supposed to be in favour of law and order. The hon. Member for Derbyshire, South is a perfect example. Yet she defends people trying to avoid paying national insurance contributions when they are supposed to be operating a reputable building concern.

Mrs. Currie: I am doing no such thing.

Mr. Roberts: If the Minister is really interested in joint venture schemes, he should see what is happening to the Edge lane estate in my constituency, where there are 374 difficult-to-let properties. A proposal by Cruden's to decapitate the maisonettes and sell them as houses and to build some new low-rise housing for rent cannot now go ahead, and the properties remain boarded up because decapitation is classed as an improvement and the imposition of VAT on improvements means that the dwellings could not be sold at a market price. Perhaps the Minister will comment on that aspect of the Government's policy of preventing joint venture schemes by reputable firms such as Cruden's through the imposition of VAT on major development work which the Government and the Inland Revenue laughingly class as improvements.

The Government's policy on joint ventures is being torpedoed by their own actions, their failure to control the building industry and to deal with lump labour and the imposition of VAT which will prevent further schemes from going ahead.

6.20 pm

Mr. Jeff Rooker (Birmingham, Perry Barr): I congratulate my hon. Friend the Member for Walsall,

[Mr. Jeff Rooker]

North (Mr. Winnick) on winning the ballot and on his choice of subject. Although we have had three debates about capital receipts, a subject central to housing policy, this is the first general debate on housing this Session.

I do not intend to comment on all the speeches in detail, but I am sure that the leader of Knowsley borough council, Councillor Jim Lloyd who serves on the Stockbridge Village Trust and on the management committee, will be most concerned to ensure that the allegations made by my hon. Friend the Member for Bootle (Mr. Roberts) are fully investigated.

Mr. Allan Roberts: Will my hon. Friend give way?

Mr. Rooker: I was not discussing the allegations themselves. I was merely pointing out that Councillor Lloyd will no doubt be the first to insist that they be investigated.

With the exception of certain interventions, I have not disagreed with any of the speeches from either side. The hon. Member for Rutland and Melton (Mr. Latham) put forward positive proposals for improvement grant expenditure which are much to be welcomed and I look forward to debating legislation on building societies later in the year.

The hon. Member for Mid-Norfolk (Mr. Ryder) attacked the solicitors' monopoly and the Government's failure to keep their own promises.

I thought that the hon. Member for Birmingham, Northfield (Mr. King) was starting to tease me a little, but he made a valuable contribution about the massive scale of the housing crisis in Birmingham. My hon. Friend the Member for Walsall, North also touched on that. As I must not deal with constituency matters from the Dispatch Box, I will merely point out that Birmingham has 25,000 unfit dwellings in the public sector and 35,000 in the private sector. Out of a housing stock of 380,000 there are 60,000 unfit dwellings—one dwelling in six, compared with the national average of one in 16. Birmingham and comparable cities clearly need special treatment. There is no blanket solution to the nation's housing crisis, because the situation varies throughout the country. In some areas there is a surplus of housing—it may be rotten housing, but it is in surplus—while in other areas there is a massive shortage of housing to buy or to rent, as the Minister knows from his own constituency.

The public pronouncements of the Building Employers Confederation in the past six or seven months have been vastly more pertinent than in the previous five or six years. A quotation from the confederation will set the background and tone for what I have to say. It has stated:

"We face a worsening housing crisis reflecting the fact that we are neither building sufficient new homes nor adequately maintaining existing housing."

No hon. Member could disagree with that, but it remains to be seen whether anything will be done about it. By and large, the Government have no housing policy, just a few slogans. The Minister also has some quite funny speeches, but I hope that today he will respond seriously to the comments of Members on both sides about the breadth, depth and variety of the housing crisis throughout this country in the voluntary sector, the public sector and the private sector.

The Minister will no doubt bring out his home ownership slogan. As home ownership increased proportionately every year under the Labour Government, there is no argument between us on that. The Minister will no doubt go on to talk about the private sector, but the private sector has told him that, for a variety of reasons, it cannot meet the demand for housing in this country. He will no doubt also boast about the success of the Government's policy on improvement grants, but if it is so successful, why are they about to abandon it?

As this is a short debate, I can mention only a few of the Government's failures since 1979. First, they should be thoroughly ashamed of the fact that mortgage rates are on average 50 per cent. higher than they were under the Labour Government. No one expected that to happen under the Conservatives. A mortgage rate which is twice the rate of inflation imposes a crippling burden on millions of people.

Millions of viewers saw the stark effects of that in the "Panorama" programme on television a week ago. Why should families paying off long-term mortgages become the victims of short-term changes brought about by big-time money speculators? When the interest rate casino started up in the mid-1970s, the Labour Government set up a building societies mortgage interest stabilisation fund at no cost to public funds. That system worked quite satisfactorily, but the Conservatives have made no attempt at all to deal with the problem. Of course there is no magic formula but the Labour Government proved that some short-term assistance could be given.

The Government's failure with regard to land prices has already been mentioned. They have allowed the price of building land for housing to rise by 1,000 per cent. in seven years and by even more in some areas. Under the Conservatives we have had south American inflation rates in the price of building land, finishing off the building industry in many parts of the country, especially the home counties. The deliberate restrictions placed on building land for new homes in areas where people want or need to live has sent the price of building plots through the roof. How can the private sector fulfil the Government's policy to take over virtually all land for housing and build houses within the reach of first-time buyers when a plot of land costs between £20,000 and £30,000?

In many parts of the country, such as Berkshire, Hertfordshire, Suffolk and Warwickshire, cuts in building land of between 20 and 30 per cent. from structure plans are deliberately designed to force up the price of such land. Indeed, they are deliberately designed to prevent people from moving into such areas. They are designed deliberately to stop the building of houses—a subject on which many Conservative Members have campaigned in recent months. They do not want new housing in their constituencies. In fact, this cut amounts to a tax on housing.

The Minister only recently met the House-Builders Federation. Following that meeting, Mr. Humber said last week:

"We can only fill the gap if we have land at reasonable prices. The party of home ownership at Downing Street is not the party of home ownership when you go into the shire counties".

What is the Government's response to a situation about which they alone can do something? The federation also said:

"in terms of delivering owner occupation to people who want it, at prices they can afford, and who expect this Government to help them, the Government's record—and that of its shire county supporters who are the real culprits—is appalling".

The House-Builders Federation and, indeed, the Building Employers Confederation are not exactly known for stuffing the coffers of the Labour party at election time. Those gentlemen and their industries are the paymasters of the Tory party. They believe that under this Government it is their duty to carry out housing policy, but they cannot do so because of the other policies which the Government have imposed on the nation.

The third area of failure, in addition to the massive increase in mortgage rates and land prices, relates to the number of new dwellings. No one will argue that there is no longer a need to build new dwellings, even though we may argue about the part of the country in which they are built and the kind and size of dwellings to meet the mix in the population. By the year 2000, the population will increase by only 4 per cent. The Government recently told us that by the same date the number of households will have increased by 14 per cent. We therefore know that there will be a massive mismatch of population to households, even in the few short years to the end of the century.

Had the Government continued the average new home-build programme of the last Labour Government, there would today be more than 500,000 new homes than exist. The last Labour Government's average build programme was 285,000 dwellings a year for five years. The average new build programme under the Tory Government in their first five years was 180,000 dwellings a year—more than 100,000 fewer. Put another way, for every week that the Prime Minister has been in Downing street, 2,000 fewer new homes have been started than under the last Labour Government.

The Labour party has nothing whatever to apologise for, although we are the first to admit that we did not build enough homes. We have nothing to be defensive about. The 500,000 homes that have been lost represent 1·5 million taps. I bet that the tap manufacturers would have liked to see their factories churning out those taps. Those houses also represent at least 1 million front and back doors, which the woodworking factories would like to have made. They represent at least 10,000 million bricks, which could have been manufactured by British workers to be used in homes for British people. That has not been possible simply because of the cutback in the Government's building programme.

In its leader column a few weeks ago, when it referred to taking comfort from the Prime Minister's statements, the *Building Trades Journal* said:

"The next election would be upon us and who is to say which way the voting will go. Another dose of this type of Tory administration would be disastrous for the industry and the Government needs firmly discouraging now from keeping on its present course".

That is the weekly vehicle of the builders and building material producers, who have suffered catastrophic business failures in the last five or six years.

My hon. Friend the Member for Walsall, North referred to international comparisons. Why should we be different from France or Germany? Their populations are roughly the same, and the wealth of those nations is not that dissimilar from our own. Indeed, the economic capacity of the three countries is about the same. France and Germany are our economic competitors. Why do they invest three times as much of their gross national product in residential building as we do? What difference causes that to happen? Why do they think it worth while to invest in residential building, whereas the United Kingdom Government do not? I doubt whether those issues will be raised at the European summits, but perhaps the Minister can explain the reasons for this trend over the past few years.

The repairs crisis has been well documented by many of my hon. Friends, and reference has been made to the Government's forthcoming attempt to change the system of measuring unfit housing. Do the Government intend to change the fitness standards in the next house condition survey? We must be able to measure the fitness of housing in 1986 on the same basis as in 1981. Come the end of this month, when the inquiry into British housing—which to its credit has been sponsored by the National Federation of Housing Associations—reports, the Government will not be able to get out of the corner.

On the evidence available, it is possible for only one kind of report to be written, and the Minister knows it. He will not be able to flannel over dinner with members of the inquiry team on the day that the report is published. They and the country will want firm Government decisions on what has emerged in report after report from all sectors of society right across the political spectrum, because the housing crisis can no longer be ignored.

We now face problems arising from the junk housing forced on local authorities by Governments of both persuasions in the 1950s and 1960s—no one denies that—but we must show the British people that Parliament has learnt from its mistakes. We shall no longer be able, simply by fiddling the subsidy arrangements, to force local authorities to build junk jungles in which people will be forced to live, be they vast estates that are so anonymous as to be unbelievable or tower blocks in the sky. Both parties are to blame, but this Government have not yet had the courage to say, "Yes, we made a mistake. We admit it. We shall learn from it and do something about it."

We will not allow the Birminghams of this world to pay out of their own resources, because the 429 tower blocks in Birmingham have been surveyed and all have been found to be in serious need of repair. We will not allow the Manchesters of this world to cope on their own, because they are saddled with vast numbers of deck access housing. We will not allow them to count as housing investment the dismantling of the Bison deck access flats to see whether they were put together properly.

The Minister still refuses to give Newham council financial approval to dismantle Ronan Point, which I visited a few days ago to see how that tower block was put together. Why should Newham council have to pay housing investment money to dismantle Ronan Point? Surely the Government can make a special dispensation for that tower block, whose name will haunt housing policy, architects and planners for years to come.

Local authorities alone cannot cope with these problems. Given their inadequate resources, they are not able to help the thousands of people who are trapped in junk high-rise housing in which they are forced to live. Local authorities are unable to get people out of unfit owner-occupied housing, simply because the Government refuse to accept their responsibility.

It is no good the Minister saying, "You own your own house. We have created a policy which forces you to do this because we have cut back on the building of houses for rent." The Minister knows full well that there is a massive need for houses to rent. His own local council told him so in its housing investment statement last year.

[Mr. Rooker]

There is a massive need for housing both for those who want to buy and for those who want to rent, at a price which they can afford. There can be no freedom of choice between tenures if there is a deliberate Government policy to deny people the opportunity to have one sort of tenure of housing, and so force them into the other. That leads to the examples that we saw on "Panorama" last week. Real choice of freedom means what it says—a genuine choice of available housing. The Government's dogmatic approach of virtually refusing to countenance any building for rent must change.

We want building for sale to continue. We want housebuilders to improve their record levels of building for sale, but we also want people to have a choice to rent if they wish. That should be their decision. It should not be a decision of the Government or of the local authority. However, the decision whether people have the choice is the Government's. They should make resources available to the voluntary sector and to local authorities, and should change the rules and regulations for land planning, so that housebuilders can go back into the market to build for first-time buyers. Nobody will convince me or the housebuilders that the Government's policies are designed to allow them to build for first-time buyers. The Government know that that is not the case, so a change in Government policy is called for.

Often in the past the Opposition have been accused of being irresponsible because, it was said, we made demands which were based on a bottomless pit and the money was not available. This is one of the wealthiest countries in the world—let no one deny that—but we misuse our wealth. The Audit Commission was set up by the Government, but only a few days ago it said that to tackle seriously the scope and size of our housing crisis no less than £50,000 million was required. That makes the Building Employers Confederation demand for £30,000 million to tackle the housing crisis look extremely modest. I ask the Minister to split the difference and get on with the job.

6.42 pm

The Minister for Housing and Construction (Mr. Ian Gow): The debate was diminished by the contribution made by the hon. Member for Bootle (Mr. Roberts). I do not think that he will be anxious to repeat outside some of the things that he said within the privilege of the House. I completely reject any criticism that he has made of Mr. Tom Baron, who has made a remarkable contribution to the success of the Stockbridge Village Trust, a success that is greatly appreciated by those who really matter—those who have lived and will live at Stockbridge. I hope that the hon. Gentleman will do the decent thing and withdraw any allegation against Mr. Baron.

Mr. Allan Roberts: In the light of that, will the Minister ask Mr. Tom Baron to have an inquiry into the employment of lump labour at the Stockbridge village site?

Mr. Gow: I shall study carefully, when I receive the *Official Report* tomorrow, the allegations that the hon. Gentleman has made. It goes without saying that if there is anything in his speech that, upon examination, requires investigation, most emphatically that inquiry will be carried out.

My hon. Friend the Member for Rutland and Melton (Mr. Latham) made a characteristically thoughtful speech. In our new Green Paper, our proposals on improvement grant eligibility are out for consultation. No decision has yet been made about who will be eligible for grants under the new scheme. On page 7, we said:

"The overriding aim will be to ensure that as far as possible the system includes those who are unable to afford the necessary improvement and repair work unaided, and excludes those who do not need help."

The hon. Member for Newcastle upon Tyne, North (Mr. Brown) referred properly to the problems of the city that he has represented in the House for so long. He knows that I have visited Newcastle to see some of the problems there for myself.

My hon. Friend the Member for Mid-Norfolk (Mr. Ryder) made an interesting speech about my profession of the law. I shall draw his speech to the attention of my noble and learned Friend the Lord Chancellor.

My hon. Friend the Member for Birmingham, Northfield (Mr. King) knows that I have visited his constituency to see the Smith houses there. He referred to possible new evidence that might assist in reaching the decision, so far denied, to include Smith houses under the category of houses designated under the Housing Defects Act 1984. If he has any further fresh evidence that I have not yet considered, although I believe that I have considered it all, I undertake to look at it. My hon. Friend also referred to the possibility of a transferable voucher system. He will know that he has been anticipated already by the Government, in that there is a transferable discount scheme in operation for tenants of charitable housing associations who were denied the right to buy under the Housing and Building Control Act 1984.

I congratulate the hon. Member for Walsall, North (Mr. Winnick), as did the hon. Member for Birmingham, Perry Barr (Mr. Rooker), on having won first place in the ballot and chosen the subject of housing. Housing as a subject should be debated more often in the House, and I hope that it will be. However, my congratulations stop there. The hon. Gentleman made a characteristically intemperate speech matched by an equally characteristic modesty, which he showed when drafting his general election address, of which, for the sake of accuracy, I have a copy. He drafted his eulogy with loving care. He said that he was

"One of the most hard-working and dedicated of MPs,".

That is "Winnick on Winnick", but it is not much of a tribute to his parliamentary colleagues.

I note, in passing, that the then candidate for Walsall, North offered a typical bribe to the electors. While the then Shadow Secretary of State for the Environment, the right hon. Member for Manchester, Gorton (Mr. Kaufman), said in his election address that the Labour party would freeze council house rents for one year, there was no similar time limit given by the chairman of the Tribune group in his election address. He simply promised

"to freeze council house rents".

The hon. Gentleman's election address was calculated to mislead, and so is his motion today. An honest motion on housing would have been in the following terms:

"That this House notes that local authority capital expenditure on housing was cut by 50 per cent. in real terms between 1974-75 and 1978-79"—

[HON. MEMBERS: "Ah!"] Yes, that would have been the truthful motion. Such a motion would have continued:

"congratulates the Government on the success of its housing policies since May 1979 in providing the great majority of the British people with better housing than at any time in our history;

on giving to most public sector tenants the right to buy their home and introducing the tenants charter; on the provision of 1¼ million new houses and flats; on increasing the number of home owners by nearly 2 million; on substantially higher public expenditure on improvements and repairs and welcomes further initiatives"—

which I hope, if I get to the end of my speech, I shall be able to announce—

"to combat homelessness."

Since May 1979, 1·25 million new homes have been built in Britain. Since May 1979, more than 850,000 houses and flats have been sold by local authorities, new towns and housing associations. More than 775,000 of those sales were to sitting tenants. Sales are still running at well over 100,000 a year. Since May 1979, the number of owner-occupiers has increased by nearly 2 million. In England, 63 per cent. of our housing is now owner-occupied. Over these past six years, we have seen the most rapid increase in home ownership in any period of our history, and the extension of home ownership reflects the preferred choice of the overwhelming majority of the British people.

The increase in home ownership has not happened by accident. It has come about as the direct result of the policies of Her Majesty's Government. There is no need to remind you, Mr. Speaker, but I shall go on reminding the Opposition that they opposed with such vigour as they could muster the right to buy when introduced originally in the Housing Act 1980 and when extended in the Housing and Building Control Act 1984. You will remember, too, Mr. Speaker, that the Labour party fought and lost the last election on the policy of repealing the right to buy.

Those Opposition Members who sit below the Gangway, and many of those who sit above it, will never understand that home ownership is a legitimate aspiration for those who live on council estates. The improbable figure of the hon. Member for Perry Barr, motivated as much by electoral expediency as by principle, trying to rid the Labour party of the electoral albatross which it hung round its own neck last time is not edifying.

Mr. Winnick: Will the hon. Gentleman give way?

Mr. Gow: No. Only a short time remains before the end of the debate.

Just as the hon. Member for Perry Barr was beginning to congratulate himself on the faltering progress that he was making, along came the hon. Member for Oldham, West (Mr. Meacher), without even a whisper in his hon. Friend's ear, and said that if ever his party sat on the Treasury Bench, mortgage tax relief would be knocked on the head.

Mr. Meacher: That is not true.

Mr. Gow: "Knocked on the head" is my paraphrase of what was said in the document—*[Interruption.]* No, the hon. Gentleman did not use the phrase. That is my paraphrase of what the hon. Member for Oldham, West said.

Meanwhile, the House and the 4·5 million-plus local authority tenants who have not yet bought their homes await with mounting impatience to see what housing policy will emerge.

Mr. Winnick: Will the hon. Gentleman give way?

Mr. Gow: No. I have already told the hon. Gentleman that I have only a short time in which to complete my speech, and it will take some time to extol the virtues of this Government's housing policy.

Meanwhile those who have not yet bought their homes —the 4·5 million still living in council accommodation —wait with mounting impatience to see what housing policy will emerge as the struggle between the chairman of the Tribune group, the hon. Member for Perry Barr, and the hon. Member for Oldham, West proceeds.

The hon. Member for Walsall, North referred to the 1981 English house condition survey. That showed that in the preceding decade the number of houses without an inside loo had fallen from one in eight to one in 33 and that the number of houses without a bath had fallen from one in 10 to one in 40.

In the four years since the 1981 survey, 647,000 improvement and repair grants have been given, totalling more than £2·25 billion. In the last four years of the Labour Government, when the condition of our housing stock was worse, the total number of grants was only 261,000, amounting to £290 million. Last year, 229,000 improvement and repair grants were made, the highest number ever given and 300 per cent. more than during the last full year that the Labour party was in power. For the financial year 1984-85, £725 million was spent on grants compared with £90 million in the last year of the Labour Government.

In the last five years of Tory Government, more than 280,000 repair grants have been paid. In the last five years of the Labour Government, 838 grants were paid. For every grant paid under compassionate Labour, 334 have been paid under the flint-faced Tories. Those hon. Members who have spoken from the Opposition Benches would have been more honest with the House if they had acknowledged those truths.

We have not had a contribution from any hon. Member representing a Welsh constituency, but I give some figures about Wales. Between 1975 and 1979, only 500 repair grants were given throughout the Principality. Between 1981 and 1984, while my right hon. Friend the Member for Pembroke (Mr. Edwards) has been Secretary of State, 43,000 grants have been paid. For every grant given by the compassionate Labour party, 86 have been given by the flint-faced Tories.

The same general pattern appears if one takes a specific example. I have selected at random the Brecon and Radnor district councils. In the five years between 1975 and 1979, when for some of the time the highly principled members of the parliamentary Liberal party were sustaining in office the most illiberal Government of modern times, not a single repair grant was given in Brecon or Radnor.

Mr. Simon Hughes *rose*—

Mr. Gow: I shall give way to the official spokesman for the Liberal party so that he can say what representations for grants were made under the terms of that squalid arrangement, the Lib-Lab pact, which, to be fair to the hon. Member for Southwark and Bermondsey (Mr. Hughes), was made before he arrived in the House.

Mr. Hughes: Perhaps the Minister will give the House one other fact—[HON. MEMBERS: "Answer."] I shall answer his question in a moment. I always answer questions.

Mr. Edward Leigh (Gainsborough and Horncastle): The alliance is running third in Brecon and Radnor now.

Mr. Hughes: No. We are second.

Will the Minister say who was in charge of the local authorities in Brecon and Radnor during the period in question? We ought to be told that.

The answer to the Minister's question is that the Labour Government, with Liberal support, did more for small firms, including the appointment of a Minister. Among those to benefit was the building industry, and that produced——

Mr. Speaker: Order. This debate is about housing.

Mr. Gow: I was wrong to give way to the hon. Member for Southwark and Bermondsey.

Since 1979, despite assertions to the contrary, local authority capital expenditure on public sector repair and renovation has increased substantially and is now running at more than £1 billion a year. In addition, local authorities are spending another £1 billion a year out of revenue on repairs and maintenance. In 1984, 87,000 local authority and new town dwellings were renovated — a higher figure than in any year since 1973 when my right hon. and learned Friend the Member for Hexham (Mr. Rippon) was Secretary of State. That trend is continuing. In the first quarter of 1985, there were 32,000 renovations, compared with 21,700 in the same quarter of 1984. Since my right hon. Friend the Prime Minister arrived in Downing street, 450,000 local authority-owned dwellings have been renovated. '

Of course, I share the concern expressed by hon. Members on both sides of the House about the condition of our PRC houses and some of the large panel blocks. In April this year, I asked all housing authorities to provide details of the condition of the houses and flats which they owned. I have now received replies from more than 90 per cent. of the authorities, and those replies are being analysed. The conclusions from those studies will be available before we take our decisions about local authorities' housing investment programme allocations for next year.

I have visited public sector housing, as it is my duty to do, in every part of England. I have seen how great is the contrast between the best and the worst managed housing estates. Insensitive, unimaginative and bureaucratic management, when replaced by that which is sensitive, imaginative and efficient, can literally transform the lives of tenants.

Our priority estates programme which we set up with local authorities five years ago has shown what can be achieved. Locally based management, proper consultations with tenants, improvements in security and dealing with the backlog of repairs are the essential ingredients. Many authorities now have PEP schemes. I hope that others with problem estates will join them.

Of course, the House ought to be, and is, concerned with those who today live in unsatisfactory housing conditions, but the truth remains—and in this truth we are entitled to take some pride—that the great majority of the British people are better housed today than ever before. The Government are determined that that progress shall continue.

It being Seven o'clock, proceedings thereon lapsed, pursuant to Standing Order No. 6 (Arrangement of public business).

Orders of the Day

European Communities (Finance) Bill

Considered in Committee.

[SIR PAUL DEAN *in the Chair*]

7 pm

Mr. Nicholas Budgen (Wolverhampton, South-West): On a point of order, Sir Paul. I beg to move, That the Chairman do report Progress and ask leave to sit again.

I ask you to take that unusual step because we read in the newspapers today that there was an unsuccessful meeting of the Council of Ministers in Milan at the weekend and as yet the Prime Minister has been unable to report on the matter to the House of Commons.

You will appreciate, I am sure, that the concern of many hon. Members from all parts of the Committee is that the expenditure of the EEC may continue unchecked. We read that there has been a dispute about the areas that might be controlled by majority decision within the Council of Ministers. If that system of majority decision is extended to activities that cost money, the Government's asessment of the future requirements for money for the EEC might turn out to be wrong.

It may be that my right hon. Friend the Prime Minister will be abe to calm all fears and to say clearly that she has no intention of allowing majority voting over any EEC activity that costs money, and it may be that she will also give us clearly to understand that the passage in the communiqué on Fontainebleau to the effect that own resources may be increased to 1·6 per cent. by 1 January 1988 has no effect in her mind and that she has no intention of allowing such increase, but it would be wrong if the Committee were to proceed to discuss the details, for instance, of the 1986 EEC budget without knowing what had been agreed last weekend at Milan and without knowing what the Government's position is.

I am sure that my right hon. Friend the Prime Minister wants to come to tell the House about this. Far and away the best procedure would be to give her the opportunity to come immediately, if she wishes, or otherwise to adjourn consideration of the Bill until such time as she is able to come. To proceed to discuss the details of this important Bill—described by my right hon. and learned Friend the Foreign Secretary as one of the most important matters that we have had to deal with in recent times — without understanding the Government's position in relation to the Heads of Government of our fellow member states of the EEC is to proceed on a quicksand. We simply do not know where the finances of the EEC——

The Second Deputy Chairman of Ways and Means (Sir Paul Dean): Order. I am listening carefully to the hon. Gentleman, but he is now developing arguments which he would use were I to grant the motion. I think that I have got the drift of his argument. Perhaps he can bring his point of order to a conclusion.

Mr. Budgen: I am grateful, Sir Paul. I ask only that we may be allowed to debate the motion that I put to you. Since I believe that there will be concern in all parts of the Committee that we should proceed on a proper basis, I

hope that you will be able to allow a short debate on the issue so that the mood of the Committee may be made known.

Several Hon. Members *rose*——

The Second Deputy Chairman: Order. I am dealing with the personal application of the hon. Member for Wolverhampton, South-West (Mr. Budgen). As the hon. Gentleman said, and as the Committee will realise, we have made no progress yet in the Committee proceedings. Amendments have been selected and it is the job of the Committee to get on with the business, so I am not prepared to accept the hon. Gentleman's motion.

Several Hon. Members *rose*——

The Second Deputy Chairman: Order. I have given my ruling. I am not prepared to accept further points of order on this matter. The first amendment to be considered is No. 5.

Mr. Peter Shore (Bethnal Green and Stepney): On a separate point of order, Sir Paul. Considerable concern was expressed in the House earlier today that there has been no statement arising out of the Milan summit. I share the concern of hon. Members on both sides of the Committee that we should proceed with this Bill without a statement on the Milan summit. My point of order relates to the request that a statement be made. It will take only a few moments to deploy the argument.

The Bill seeks to give legal force to a Community treaty. It is a Community treaty that deals with the most sensitive point of all the Community's affairs, that is, the financing of the Community itself. It is 15 years since the Community last had a treaty defining its own resources. We are now for the first time, as it were, seeking to change that agreement in a way that will give greater possibilities for the financing of the Community in future.

The relevance of Milan to this, and the reason why I believe we should have a statement now, is that at Milan what was discussed to our surprise was a further treaty. Apparently a discussion took place and as a result of a majority vote it was agreed that a conference should be held at which the object would be to draft a new treaty to carry forward the affairs of the Community. It is inconceivable that any new treaty would fail to make provision for the financing of the Community. I therefore think it would be right to have a statement.

The Second Deputy Chairman: Order. The right hon. Gentleman will realise that we are now in Committee. This is not a matter over which I have any control. I notice that the Leader of the House is here, and he has no doubt heard what has been said. The right hon. Member for Bethnal Green and Stepney (Mr. Shore) will know from his long experience in this place of the way in which to try to get a statement in due course.

Mr. Teddy Taylor (Southend, East): On a further point of order, Sir Paul. The first amendment that you have kindly said you will consider is amendment No. 5, which deals with document COM (85)36, which unfortunately became available only at about 12 noon. I have studied it and it deals with the division between allocated and unallocated expenditure. Two decisions at Milan yesterday that had nothing to do with European union made alterations in what is regarded as allocated and unallocated expenditure. In particular, in relation to a decision on aid it was revealed that unfortunately less than half of the aid allocated to Ethiopia had been delivered. In those circumstances it is impossible for us to consider amendment No. 5 until we know the text of what was agreed at Milan on allocated and unallocated expenditure, otherwise the amendment will be discussed in the dark.

The Second Deputy Chairman: I am grateful to the hon. Gentleman, because he is helping the Committee to make progress. These are precisely the sorts of points that it will be in order for him to make when we come, as we are now doing, to amendment No. 5.

Mr. Nigel Spearing (Newham, South): Further to the point of order, Sir Paul. On a point of elucidation concerning Standing Orders Nos. 28 and 29, you have made a ruling that we must proceed and said that you will not accept a motion to report progress. The two groups of amendments to which we shall proceed involve two questions — first, the inclusion of a document and, secondly, a percentage. The third Question that you will put to hon. Members is that clause 1 stand part of the Bill.

Because of the brevity of the Bill, the Question that clause 1 stand part has to do with the principle of the Bill which was discussed last week in relation to the EEC's scope, treaties, purposes and direction as were then extant. We all know that since then conversations have taken place in Milan. It is almost certain that another conference will be held relating to future treaties.

I take it, Sir Paul, that the changed circumstances will be borne in mind in deciding whether to accept a motion to report progress. Given the scope of the Question that clause 1 stand part, a different case might have to be considered. Will you accept representations at that time from hon. Members to move a motion to report progress?

The Second Deputy Chairman: I think that the hon. Member will recognise that the Chair cannot possibly anticipate. There are two groups of amendments to clause 1 and, until we have dealt with them, it is not possible to say whether a debate on the Question that clause 1 stand part would be appropriate or whether the motion to which the hon. Member referred would be acceptable. I am sure that the hon. Member realises that that matter must be judged when we reach that stage.

Mr. Jonathan Aitken (Thanet, South): Further to the point of order, Sir Paul, which the right hon. Member for Bethnal Green and Stepney (Mr. Shore) raised. Back Benchers look to the Chair to protect their rights. I suggest that the rights on which basis the Bill was introduced have been dramatically changed by events in Milan. The Milan summit was not just a mad hatter's tea party of discord and disunity that one can criticise from afar. Last week, the Bill was presented to the House on one basis, which has now changed. The House and the country have been sold the Bill on a false prospectus of many types of reform, especially budgetary reform. Suddenly, there was complete chaos and disunity which not merely changed the rules but removed the playing field and the goal posts. The idea is that hon. Members will proceed to discuss the Committee stage although a completely new treaty and two tiers are seriously envisaged. In addition, many documents appear to have been circulated in press releases —for example, guaranteeing that Britain will vote in the United Nations in unity with her European partners. Not a word about this was disclosed in advance to the House of Commons and no document was placed in the Library.

[Mr. Jonathan Aitken]

The House of Commons and the country have been treated in a cavalier fashion. This fact has emerged because of the chaos at the Milan summit. The Chair should protect the rights of Back Benchers who feel strongly about this matter and should suggest that the Whips get together and agree to report progress as soon as possible.

The Second Deputy Chairman: I understand the hon. Member's point. I am sure that he recognises that I have no power to force a Minister to make a statement. Many of the hon. Member's arguments might well be relevant to the amendment that we are about to discuss.

Mr. Tony Marlow (Northampton, North): Further to the point of order, Sir Paul. You say that you do not have the power to compel a Minister to make a statement. We understand that and appreciate your difficulties. However, you have the power to allow hon. Members to debate for a short period whether to report progress. If progress were reported, it would allow a Minister——

The Second Deputy Chairman: Order. I have already given a ruling on that matter. I have clearly said that I am not prepared to accept such a motion. I am not prepared to have arguments about that.

7.15 pm

Mr. Ron Leighton (Newham, North-East): Further to the point of order, Sir Paul. I wonder whether you can help me and many other hon. Members. I think we have a case of Hamlet without the prince. We are asked to vote hundreds of millions of pounds. We are asked to throw money at a problem, but we are not sure what the problem is. The problem is moving. Where must we throw the money? We are not sure. We have read in the newspapers about the Milan conference and the humiliation suffered and snubs received by the Prime Minister. We do not know what the Government's policy towards the Common Market is. I understand—the Leader of the House might be able to help us — that tomorrow we may hear officially about the Government's policy on this problem at which we are asked to throw money. As you know, Sir Paul, our main leverage is our ability to decide whether to vote money. Why vote the money before we have heard the Government's approach?

The Prime Minister may not be available, but the Leader of the House certainly is. He understands these matters better than most. Perhaps he could advise us whether we should proceed this evening to vote more money for something to which the Government might not want to give more money. Perhaps you could help the Committee, Sir Paul, in explaining how we should proceed.

Mr. Ian Mikardo (Bow and Poplar): Further to the point of order, Sir Paul. I appreciate that you have said that you have given a ruling. In the light of the observations during the past few minutes by hon. Members on both sides of the Chamber, would you be kind enough to give further thought to your ruling? It is absolutely clear that, if we proceed to deal with the Committee stage now, we shall be groping in the dark—*[Interruption.]* We shall blunder about. Like a number of people in a dark room, we shall be groping around and, unless we are careful, we shall fall over things. I understand that it is possible that during the next 24 hours light will be shed on these proceedings. If so, would it not make sense for us to delay the consideration of the Committee stage until that light breaks in upon us?

The Second Deputy Chairman: I appreciate the hon. Member's point, but this is not the first time that a Committee has been groping in the dark. It may well be that, if we proceed with the debate and many of these points are raised, we shall see some light where, apparently, there is now darkness. I hope that we shall now continue with the debate.

Mr. Budgen: May I suggest a compromise, Sir Paul? The Committee hopes that my right hon. Friend and hon. Friends on the Government Front Bench will be able to give us the information that we seek. We expect to have a full and informative debate. If, by chance, they do not find it possible to give us the information for which we ask, will you, Sir Paul, help the Committee by giving us some hope that it may be possible to accept the motion to adjourn these proceedings if the mood of the Committee is that it is not yet fully informed? Of course, we hope that over the next hour or so it will be possible for the Committee to be fully informed by my right hon. and hon. Friends, but if, sadly, they fail in that important endeavour, perhaps you would allow this motion to be considered again, Sir Paul.

The Second Deputy Chairman: The Committee has had a good run on these points of order. At appropriate moments, the Chair will always be ready to reconsider these matters. I suggest to the Committee that we begin the debate, see how we go, and see what enlightenment is spread on the issues that we are supposed to be debating.

Mr. Andrew F. Bennett (Denton and Reddish): As I understand it, Sir Paul, the Chair has a responsibility to certify that any Bill presented to the Committee does not infringe any of the privileges of the House of Commons or the procedures that the Bill has to undergo. In order to do that, the Chair must be satisfied that the Bill is correctly printed. Has the Chair considered that the money resolution as printed would appear to have been in order when the Bill was first presented, but the circumstances of the weekend suggest that it is not now correct? Therefore, there might be some doubt about whether the privileges and rights of the House of Commons are in danger because of the weekend's developments. Will you assure us, Sir Paul, that the Chair has had the opportunity to study the Bill, obviously on the basis of information that we do not have at this stage, to ensure that the money resolution is correct and does not infringe any of the rights of the House of Commons?

The Second Deputy Chairman: The amendments are in order or they would not have been selected. We should now proceed with the debate.

Mr. Alan Williams (Swansea, West): On a point of order, Sir Paul. If we allow this debate to progress to clause stand part, we shall have precluded the possibility of moving amendments which might prove to be relevant when we know the nature of the statement to be made by the Prime Minister. We are not capable of judging that at present. If we follow the course that you recommend, Sir Paul, which I accept would normally be the sensible one, it would mean that because of the nature of the Bill, which has one clause, the Committee will have missed the opportunity to table amendments to the clause in the light

of the Prime Minister's statement. For that reason, I suggest that we are in a unique position and that an early decision is needed on whether we should progress with the Bill.

The Second Deputy Chairman: If that point were to arise, it would be open to the Committee, when it reaches the debate on the Question, That clause 1 stand part of the Bill, to reject the clause. There are many possibilities open to the Committee. I have already said that we should now proceed with the debate. The Chair is prepared to keep an open mind about a dilatory motion later, but I cannot commit the Chair at this stage. The Committee has work to do and we should proceed with it.

Mr. Dennis Skinner (Bolsover): On a point of order, Sir Paul. Would you consider what the position would be if we were able to adjourn these proceedings to allow the Prime Minister to make a statement? It has crossed the minds of several of my hon. Friends that if the Prime Minister can find time to gallivant round the world spending £2·5 million of taxpayers' money — that is what it cost between 1979 and March this year—she has a duty to explain to the House of Commons what happened at the weekend in Milan. You will have noticed, Sir Paul, that the Common Market representatives decided in Milan that the best way to proceed was to adjourn the proceedings there and then and to have a conference. If it is all right for the Common Market to spend all that money bringing over all the Heads of Governments and to push up the value added tax contribution to 1·4 per cent. and then to spend much more organising a conference, surely it is not asking too much to say, through you, Sir Paul, "What is good for them is good for us, and we shall not expend any more money." It could be argued that if we were to delay the enactment of the Bill — well, temporarily shelve it — we would be saving money instead of spending it. I believe that the issue should be dealt with after the Prime Minister has been brought to the House to make a statement.

The Second Deputy Chairman: The hon. Gentleman knows that I have already dealt with that point. We must now proceed with the amendments. I call Mr. George Robertson to move amendment No. 5.

Mr. George Robertson (Hamilton) *rose*——

Mr. Marlow: Further to the point of order, Sir Paul. It follows on from the point of order that was raised by the right hon. Member for Swansea, West (Mr. Williams).

Mr. Andrew F. Bennett: Further to that point of order, Sir Paul.

The Second Deputy Chairman: Order. I have dealt with many points of order. I dealt earlier with all the points which have been raised recently. The raising of these points of order is becoming an abuse of the Committee's time. The Committee has work to do, and we must get on with it. I call Mr. George Robertson to move amendment No. 5.

Mr. George Robertson *rose*——

Mr. Marlow: Further to that point of order, Sir Paul.

Mr. Andrew F. Bennett: On a point of order, Sir Paul.

The Second Deputy Chairman: Order. I have already explained to the Committee that I am not prepared to take further points of order. The Committee has had a good run on points of order and I have done my best to answer all those that have been raised. Furthermore, I have said that the Chair will always be prepared to consider matters when it can see how the Committee has proceeded. We must now proceed, and I call Mr. George Robertson to move amendment No. 5.

Mr. Andrew F. Bennett: On a point of order, Sir Paul.

Mr. George Robertson: I beg to move——

The Second Deputy Chairman: Order. Does the hon. Member for Denton and Reddish (Mr. Bennett) have a point of order to raise which I have not dealt with so far? Is it a different point of order?

Mr. Andrew F. Bennett: Yes, Sir Paul. I asked for an assurance from you, Sir Paul, that the money resolution was correctly printed. When you replied to that point of order, you said that you considered the amendments to be in order. I ask for an assurance, Sir Paul, that the money resolution is absolutely correct as printed and that the Committee is not being misled as a result of the events of the weekend.

The Second Deputy Chairman: The answer to the hon. Gentleman's point of order is yes. It is a wide money resolution, which covers the Bill and the amendments. I call Mr. George Robertson to move amendment No. 5.

Clause 1

Extended meaning of "the Treaties" and "the Community Treaties"

Mr. George Robertson: I beg to move amendment No. 5, in page 1, line 9, after 'resources', insert 'and related communication COM (85)36'.

Earlier in our proceedings, Sir Paul, you said that some light may be cast upon the events that have already been debated in the ensuing debate on the amendments. However, it will be obvious to members of the Committee that among the Ministers on the Government Front Bench is the Minister of State, Foreign and Commonwealth Office, the hon. Member for Edinburgh, Pentlands (Mr. Rifkind). Opening the debate on the European Community on 20 June, the hon. Gentleman said:

> "The Government, and a substantial number of other member Governments do not see any necessity for an intergovernmental conference such as is proposed."—[*Official Report*, 20 June 1985; Vol. 81, c. 475.]

If the Minister had that degree of perception about the possible outcome of the Milan summit, it is unlikely that he, above all others, will be able to enlighten us this evening on the dramatic turn of events that took place at the Heads of Government summit.

This technical amendment would add to clause 1 a provision showing the calculation of the abatement which is now on offer to the United Kingdom and which was agreed at the Fontainebleau summit. As the earlier remarks concluded, the abatement is at the heart of the Fontainebleau agreement. Without an abatement agreement there would have been no chorusing from the Government about the great success and triumph that Fontainebleau represented for Britain.

7.30 pm

Fontainebleau was designed to be a permanent arrangement. The Economic Secretary to the Treasury went into print in *The Times* last week, saying that

[Mr. George Robertson]

Fontainebleau had changed the rules for ever. Yet the events of last weekend clearly show that in Common Market language, permanency is confined to the last speech that was made rather than to the next speech.

As we are considering the permanence of the United Kingdom's abatement, we cannot ignore events that took place in Milan. Only a week ago Ministers were telling the House that Milan was to be dominated by proposals put forward by the United Kingdom. We were told in a headline in *The Observer:*

"Britain basks in the EEC's spotlight."

The Sunday Times declared:

"Sir Geoffrey Howe tried to pre-empt the conference by putting forward a series of more modest proposals and it now looks as if the Howe plan will carry the day at Milan."

In *The Times* last Tuesday, Mr. Ian Murray wrote:

"Britain's quiet takeover of the European Community this year . . . There are three areas which now dominate EEC thinking and Britain is in the forefront of all of them."

This week's *Economist*—which went to print before the events of the weekend—was clear on the subject:

"A successful diplomatic offensive by the British."

Thus, we had a well orchestrated attempt to show that the Foreign Secretary was the new triumphant statesman of Europe and that his proposals would dominate a weekend that we now know was a sad humiliation for Britain.

Mr. Eric Forth (Mid-Worcestershire): Perhaps the hon. Gentleman in developing his argument will make it clear whether he would prefer the line that the British Government were proposing at Milan to have prevailed or whether he backs the proposals that were made by the other Governments against which we voted. It would be instructive to have the Labour party's view on that.

Mr. Robertson: The hon. Gentleman more than most should know the answer to that, because he, unlike many of his hon. Friends, was present for all the debates that we had on this subject. He will recall, for example, that the debate to which I referred, on 20 June, concluded with the surprising decision by the Government to accept the Opposition's amendment. It may have been unique in this Parliament for an Opposition amendment to be accepted. That amended resolution represented the collective view of the British House of Commons. That made it absolutely clear that the negotiating position taken by the Prime Minister at the weekend represented a fair consensus of the parties.

I would not underestimate, or even disagree with, the Prime Minister's anger. However, that anger is only a cover-up for her incompetence. It is a synthetic fog that masks the fact that she went to Milan unprepared and with her homework undone. The humiliation that was the end result of Milan could have been avoided had she made even a basic assessment of the view of other Governments.

The Minister of State, Foreign and Commonwealth Office, who was the Prime Minister's representative on the Dooge committee, told us that a substantial number of other member Governments did not see the need for an intergovernmental conference. In fact, as seven of them voted at Milan at the weekend, it is clear that there had been a misreading either by the Prime Minister—who, after all, must carry the can—or by her advisers, who not only led her to expect that the British Government's view would be adopted but went to enormous lengths to brief the press so as to get the headlines and carry the fiction that we would be the pioneers of what was to be the new European union.

The Prime Minister underestimated her colleagues in Europe and did too little preparation. This orchestration of press coverage provoked the other nations, which must have had an effect on events at the weekend. Now we have a shambles which makes no contribution to the vast task that needs to be done on behalf of the jobless citizens of the European countries. In having been so spectacularly wrong-footed, the Prime Minister has made this country look like a sick joke in Europe.

Mr. Marlow: The hon. Gentleman is being characteristically less than charitable — *[Interruption.]* Perhaps I should have said that he was being uncharacteristically charitable.

Mr. Robertson: I am obliged to the hon. Gentleman.

Mr. Marlow: The hon. Gentleman can take his choice.

It is generally recognised throughout Britain that the Prime Minister has done more to secure Britain's interests in Europe, despite the difficulties that she has faced, than any of her predecessors and anyone else in this country could have achieved. The hon. Gentleman should recognise that. To go on berating the Prime Minister for what she has or has not done, given the failures of her predecessors, is wrong, unfair and gross. I wish that he would withdraw his remarks on that aspect.

The Second Deputy Chairman: I hope that the hon. Member for Hamilton (Mr. Robertson) will resist the temptation to take the debate too wide. I appreciate that he is still on his preamble, but I want to hear quite frequent references to the document to which reference is made in the amendment.

Mr. Robertson: You will hear so many references to that document, Sir Paul, in later stages of my speech that you will probably worry about having given me that advice. At present, I am trying to shed that light that you thought might come later in the debate on the events of the weekend and how they relate to the measures contained in the Bill that we are debating. I am sure that you, Sir Paul, and the Prime Minister, will have been deeply touched by what can only be described as some completely uncharacteristic remarks of support from the hon. Member for Northampton, North (Mr. Marlow). Whether or not my charitable nature is characteristic, for that hon. Gentleman to be charitable to the Prime Minister's view of the European Community will, I am sure, be seen unanimously as uncharacteristic.

The Prime Minister was frog marched up the garden path at Milan over the weekend. Our country suffered a humiliation, and we are left with a shambles. That can be put down only to a lack of preparation and incompetence in being out-manouevred by other members states of the Community. The amendment points out the nature of the deal that the Prime Minister has foisted on the nation and how we can be out-manouevred yet again if the Bill goes through unamended.

Mr. Teddy Taylor: The hon. Gentleman made the serious charge that the Government were in some way involved in the outrageous press coverage in that joke article in *The Times* by Mr. Murray, which contained at least five factual errors which have since been pointed out. I should be most disturbed if there were any suggestion

that the Government had had any relationship whatever with that ridiculous joke article in *The Times*, which, I am afraid, is typical of its coverage of EEC issues. Has the hon. Gentleman any proof to substantiate what he said? If not, will he withdraw the scandalous accusation that the Government had some relationship with or support for that outrageous joke article?

The Second Deputy Chairman: I am sure that the hon. Member for Hamilton will not be distracted from the amendment.

Mr. Robertson: Not even by a member of the National Union of Journalists will I be distracted from the serious points that I intend to pursue. If *The Times* article was the only article that was on the table in a joke form, the Committee might listen more carefully to such remarks by the hon. Member for Southend, East (Mr. Taylor).

The Bill is designed to make amendment and calculation more difficult. Two clauses and an explanatory memorandum that runs to two and half pages seem to be a device to preclude the Committee from properly scrutinising the legislation. When we consider the other documents which we wish to include in the Bill, the nature of the device becomes more evident.

The own resources document is not the only one that must be considered regarding the decision reached at the European Council meeting. Document COM(85)36 and its explanatory memorandum are of crucial importance. The hon. Member for Southend, East has already referred to the variations that are possible within that document. The impact of the document and the loopholes in it could easily affect the calculation if the good will that we are told has existed up to now were to break down. The communication underlines the failures at Fontainebleau. It underlines clearly how much less value are the undertakings than the objective set out by the Prime Minister in March 1984 after the Brussels summit, when she said:

"first, that instead of a lasting, equitable system for Community financing there should be a five-year ad hoc arrangement which would have left us receiving less than the average refund which we received in the years 1980 to 1983."

That is what the Prime Minister said was wrong with the arrangement offered by Community Heads of Government at Brussels in March 1984. She went on to say what she thought of it:

"I made it plain that neither the Government nor the British Parliament could accept such a package. Therefore, I did not agree to any increase in the Community's resources." — [*Official Report*, 21 March; Vol. 56, c. 1049.]

However, more than 12 months later, the package before us today is worse than the package offered at the Brussels summit in March 1984. Instead of a five-year ad hoc arrangement, we have an arrangement that will last only as long as the 1·4 per cent. limit holds within the European Community. That is how long this permanent arrangement will last.

It is clear from the Community's draft budget for 1986 that if it has already committed 1·35 per cent. of VAT on the strictest of assumptions which have never been adhered to in the past, the duration of the Fontainebleau formula will be only 12 or 18 months. Instead of a five-year arrangement and the "generous" proposition on offer in 1984 at Brussels, we now have an arrangement that will give us less than we got in our average rebates between 1980 and 1983. The arrangement will be less than two years old before it will inevitably have to be renegotiated or subjected to intergovernmental agreement. That will mean pouring more money into the unknown targets that the European Community throws up.

In the explanatory memorandum and the own resources document there is a calculation that provides for two thirds of the real net contribution to be refunded to Britain. But now we are talking about 66 per cent. of a new net contribution. The figures have been massaged carefully by the EEC to reduce the contribution on which the 66 per cent. abatement will be calculated.

7.45 pm

We are fortunate in that the House of Commons Library has done the calculation. Its research document 174 shows precisely what the rebate would have been in 1982 and 1983 had the Fontainebleau agreement applied. I will spare the House the details of the calculation, but the abatement, which is 66 per cent. of the gap between receipts and payments, would have amounted to £669 million. It estimated that the net contribution to the total budget before the abatement would have been £1,131 million. Therefore, in 1982, the abatement calculated on the Fontainebleau formula would have been 58 per cent. of the net contribution calculated on the new formula that is included in document COM(85)36. We are now talking in comparable terms of an abatement of 58 per cent., not the highly publicised and much trumpeted rebate of 66 per cent., which is often mentioned by Government spokesmen and which is included in the explanatory memorandum.

Mr. Spearing: Is not the difference even larger than that? Perhaps in asking my hon. Friend a question, I could give advance notice to the Government. That abatement is a percentage of the VAT rate that we would otherwise pay, but the abatement as a whole is over our total contribution to the EEC, not just the VAT element. It includes the large element from levies and customs duties that goes to Brussels, apart from the 10 per cent. retained for management costs. Therefore, the figure is even lower than the one given by my hon. Friend.

Mr. Robertson: My hon. Friend, who is a great authority on these matters, is right. Another calculation, which has been used to try to assess the abatement, shows it to be 49 per cent. instead of the much-vaunted figure of 66 per cent. We await with great interest the Minister's speech at the end of this debate, because we wish to see the Government's figures based on the new massaged figures that will be produced if this document is used.

On 24 April, the hon. Member for Southend, East asked the Economic Secretary to the Treasury which items have been subtracted from the calculation that will be made under the Fontainebleau agreement. He received this extremely significant reply:

"The rest of the Commission's communication sets out its proposals for including in the allocated budget items that have hitherto been excluded." — [*Official Report*, 24 April 1985; Vol. 77, c. 482.]

The Minister peddles the same gobbledegook as the Commission. The hon. Gentleman asks, "What items have been omitted?" and the Minister replies, "Items have been omitted." If this was not a serious matter of enormous importance to Britain, one would have thought that that question and answer came straight out of a "Yes, Minister" script.

[Mr. Robertson]

The matter becomes even more confused, because the documents do not make clear who will decide which items are included in or excluded from the calculation of Britain's net contribution to the EEC.

Mr. Teddy Taylor: That is made clear in the document that the hon. Gentleman is seeking, rightly, to incorporate in the treaty. The Commission makes the decision. Although its current view may be that everything should be brought within the allocated budget, it could change its view next week or next month unless the hon. Gentleman's amendment is successful.

Mr. Robertson: The hon. Gentleman is wrong, despite being right on a number of issues, because it is not clear that this is a matter solely for the Commission. If it were that clear, we would not be seeking clarification this evening. The document COM(85)36, final draft, on page 3 says:

"The non-allocated expenditure will then be limited to those activities which are excluded on principle—development co-operation and similar measures which will be excluded by Council decision."

The hon. Gentleman will find that I am coming to the apparent contrast between that statement and the explanatory memorandum to precisely the same document, which in paragraph 10—and it is signed by the Economic Secretary to the Treasury—says:

"Impact on UK law — None. The paper is an internal Community document which sets out the line of procedure that the Commission intends to follow in a process that is its sole responsibility."

Mr. Teddy Taylor *rose*——

Mr. Robertson: I have a feeling that that is the definition to which the hon. Member for Southend, East is about to draw my attention, but there is a contrast between the two documents, which appear to say two different things.

Mr. Teddy Taylor: Does the hon. Gentleman accept that paragraph 4 of the paper given to us by the Treasury clearly states:

"The Commission is now proposing that these items should be included in the allocated budget—some immediately and some gradually"?

It is signed by the Economic Secretary to the Treasury. In other words, he is saying, under his own signature, that the Commission is to determine these things. Surely the hon. Gentleman was not suggesting that that is not the case. The paper signed by the Economic Secretary to the Treasury makes it abundantly clear that it is the Commission, and only the Commission, that has the power to propose these things.

Mr. Robertson: The purpose of my amendment—and the purpose of the debate—is to try to elicit from the Economic Secretary to the Treasury, on behalf of Her Majesty's Government, what precisely is the case. There are conflicting statements, either of which would conflict with the Government's apparent boast that this is a permanent arrangement, which, if enshrined in British law, will lead to a permanent system of rebates for Britain and automatically guarantee that we shall be better off than we were under the pre-existing system.

The hon. Gentleman is right inasmuch as he points to a statement contrasting with the two statements that I have already made. Indeed, the 19th report of the Select Committee on European Legislation says:

"The Committee are advised that once it"—

this document—

"has been endorsed by the Council in this way, the Commission would be obliged to carry out the calculations in the form so endorsed. There could be a legal (as well as a political) base for contending that the Commission could not vary its terms without reference to the Council."

There is a clear conflict between statements made in those different documents and what is being said to the Committee.

Mr. Marlow: Will the hon. Gentleman give way?

Mr. Robertson: No, not at the moment.

There is an important issue of principle at stake here. We have been told, on Second Reading and in the Economic Secretary's article in *The Times*, that we have a permanent arrangement—something that has changed the rules for ever. The Economic Secretary was driven to say that in his article. Yet it is clear from the documents that the Council can make a decision to vary the terms on which our abatement is calculated or the Commission, off its own bat, can make a decision to vary the conditions under which our abatement is to be calculated; and on the basis of all historical precedent there is no chance that any arragement that they would calculate would be to the financial advantage of Britain.

It is incumbent on the Minister this evening, on behalf of the Government, to spell out precisely which of the conflicting statements is true and, whichever one of them is true, to explain to the Committee how the arrangement can be portrayed as a permanent one when the decision as to the calculation is again to be left in the hands of the faceless bureaucrats who operate in Brussels.

Mr. Marlow: The hon. Gentleman has made the point very clearly that we do not now know what our gap is and that control to calculate our gap is in the hands of the Commission. There are certain rules and the Commission can change them. He has made several points which contradict that position. We are in the early stages of a very important debate. If the Economic Secretary sought to catch Sir Paul's eye because he wanted to state the proper position as a foundation for the debate, would the hon. Gentleman be happy to sit down and let the Economic Secretary make his point?

Mr. Robertson: The hon. Member for Northampton, North knows that I have already shown my generosity in the debate. If the Economic Secretary wanted to enlighten the Committee or, to use your words, Sir Paul, to cast some light on the debate, he would find me more than willing to give way. The House of Commons will come to its own conclusion about the ability of the Economic Secretary to rise to his feet and to enlighten us on the matter. It is conceivable that he is waiting for further instructions—perhaps even from Milan—as to how he should answer the point.

The fact is that the arrangement is not permanent. It is much less generous than the system of rebates, as they were called. We now call them abatements to distinguish them from the previous arrangement. The new system is much less generous than the system of rebates which applied between 1980 and 1983, and which the Prime

Minister made her benchmark at the Brussels summit last year. The arrangement is not permanent, because, instead of even the five-year ad hoc arrangement that was offered at Brussels, we have an arrangement which is unlikely to last for more than two years before we are thrown back again into the maelstrom of financial negotiations.

The Bill before us, the abatement that is offered, and the calculation of it that is contained within the document and within the explanatory memorandum still does not provide for a system that puts our contribution to the European Community on the basis that was the objective that the Government set themselves at the beginning of the negotiations—an objective with which the Opposition heartily agreed.

On all those counts, and amid all the confusion that will surround the abatement now and in the future, it is right to underline the sense of failure from which the Government must be suffering in the wake of the Milan summit. We must hope that at the end of the debate the Committee will be more enlightened. If it is, I am sure that it will be even less enthusiastic about the Bill than it has been up to now.

Mr. Teddy Taylor: We owe a great debt to the hon. Member for Hamilton (Mr. Robertson) for raising a fundamental and important point on which we must have proper clarification.

The amendment proposes that certain detailed documents on the calculation of Britain's rebate should be incorporated in legislation and thereby not be subject to variation; in other words, they should constitute part of the treaty and not be something to be changed at the whim of the Commission.

What worries me is that, whereas the decision that is incorporated in the clause which the hon. Gentleman is seeking to amend states clearly and categorically that our rebate will be based on applying a formula to the difference between VAT and allocated expenditure, we have an assurance that the definition of allocated spending will not be changed. The assurance in the other paper is that the present criteria on allocated expenditure will be adjusted so as to eliminate the exceptions made for practical reasons.

The Commission is proposing that adjustments should be made so that more items are regarded as allocated expenditure and thereby potentially qualify for a rebate. If the Commission's objective is not regarded as a treaty as the decision is, there will be nothing to stop the Commission from changing its mind and altering what is regarded as allocated expenditure. That will have an effect on Britain's rebate or on the way that it is calculated.

8 pm

If the Government wish to gain approval, quite apart from the inadequacies of the contribution arrangement, we must have some certainty. I have already expressed serious misgivings over the fact that, at a time when the Government are reducing expenditure in many vital areas, for reasons which they have made obvious, and which I support, we shall be paying such an enormous sum into the Common Market. It is important that the Government justify the principle behind the Bill. The formula which the Government believe is good should be clear and not subject to adjustment by the Commission.

My hon. Friend the Minister may think that I am being unduly suspicious. He may claim that the Commission has given that assurance in the document which is covered by the amendment, and that it is in fact contained in a letter which was sent from a Mr. Andriessen to a Mr. Andreotti, who was President of the Council of the European Commission. Is that assurance enough? On the basis of past assurances we cannot accept messages of good will and good intentions from the Commission. We must remember that the Commission is not answerable to the people of this or any other country. It is a body of unelected civil servants. The Commission is constantly changing. Some strange people move in and some unusual people move out. That represents an enormous staff migration.

My right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath) said during our last debate that the Commission staff was smaller than that of the Scottish Office. That may have been true in the past, but I must point out that the staff of the Scottish Office includes all the warders of Scottish prisons and the staff of the state mental hospital in Carstairs. Even with all those people, the Commission staff is now bigger than that of the Scottish Office. There are now 12,700 staff and, sadly, the numbers are still growing. A Foreign Office Minister wrote to me this morning and said that that number would increase because of the admission of Spain and Portugal, which would mean more staff, including translators.

Is it right that the calculation upon which our rebate will be based should be decided by the Commission and its civil servants? My hon. Friend would save the House a great deal of time if he were to interrupt now and say that my query is answered by the decision—the document which we are incorporating into the treaty. If it is the Commission's decision that it will eliminate unallocated expenditure for the purpose of calculating our rebate, I can immediately resume my seat and say that my fears are groundless. Although there are repeated references to that in the method document, it is not in the decision document, and surely that should worry us.

My hon. Friend may say that I am being unduly suspicious and that the Common Market has always kept its word in the past. Unfortunately, that has not been the case. We have disagreed with the Common Market on many occasions where our national interest has been at stake, and Britain has invariably come off worst. I quote as an example the case of some of my former constituents who worked in the steel industry. They were told that a new policy would be introduced which would be fair to everyone. The Commission gave assurances that everything would be applied fairly. When I and other hon. Members asked about that we were told not to worry and that the Commission would ensure that the policy was applied fairly and properly.

We have all seen the results of that assurance. We know what has happened. The number of people employed by the British Steel Corporation has been cut by more than a half, whereas we know from a written answer that Italy's capacity has increased. Those poor unemployed British steel workers who relied upon the assurance that they had from the Commission are on the dole, while Italy has been expanding its steel industry. That is surely wrong.

Mr. Forth: My hon. Friend is correctly drawing Italy's conduct to the Committee's attention. Is it not relevant that over the past week it is the Italians who have been leading the cry for greater European unity in Milan, but on the important issue of the steel capacity it was the Italians who let down the Community by not adhering to what was

[Mr. Forth]

supposed to be Community policy? I am sure my hon. Friend is also aware that it is the Italians who are constantly in breach of rulings of the European Court of Justice—another of the key institutions which will no doubt contribute to increased European unity. How does my hon. Friend explain the fact that the Italians always lecture us—they have been lecturing my right hon. Friend the Prime Minister in Milan about European union—although it is the Italians who are further from upholding the concept of European unity than anyone in the Community?

The Second Deputy Chairman: Order. I hope that the hon. Member for Southend, East (Mr. Taylor) will not be led astray. That point goes rather wide of the amendment that we are discussing.

Mr. Taylor: My hon. Friend has made an important point about the way that the Community's policies work. We could not, however, discuss that point under this narrow amendment. He was right to point out yet another example of the way in which the Commission does not work well unless points are clearly spelt out and entrenched in law.

That is the point of the amendment. It has not been spelt out clearly in the document, which the hon. Member for Hamilton wants to incorporate in the legislation, that the Commission's policy is to eliminate the exceptions of unallocated expenditure. As the hon. Gentleman correctly pointed out, unless that is incorporated and becomes part of the deal we shall have no protection, first, against any decision being changed and, secondly, against the decision being torn up, as my hon. Friend the Member for Mid-Worcestershire (Mr. Forth) said, by the Italians, just as they have torn up other decisions.

Unless we have an agreement on which we can go to the European Court of Justice, we have no protection. I wonder, Sir Paul, whether you have had the pleasure, as some of us had, of reading the European Community's Court of Auditors' report. I was appalled to read how some members of Italy's criminal element have been financing themselves by obtaining huge payments for the destruction of non-existent tomatoes. It cuts down crime, because those people do not need to become involved in crime. They obtained their cash flow by applying to the Italian civil servants to destroy non-existent tomatoes from non-existent farmers.

Mr. Budgen: Will my hon. Friend comment on the story that we read in the newspapers some months ago that when someone from the European Court of Auditors went to Italy to investigate a number of those allegations he was attacked and suffered a broken leg?

Mr. Taylor: Yes, unfortunately that type of thing is happening. It proves that it is not good enough to have a gesture of good will or good intention from the Commission. We must have the points spelt out so that we can go to the court.

Mr. Richard Body (Holland with Boston): My hon. Friend has referred to the Court of Auditors. Does he appreciate that it has repeatedly made allegations and urged the Commission to put matters right? The Court of Auditors has twice submitted a report to the European Parliament on a number of issues and yet, despite there being an opportunity to put matters right, they have not been put right. The Court of Auditors, laudable body though it may seem, is not proving effective, because neither the Commission nor the European Parliament pays sufficient regard to it.

Mr. Taylor: If this were a wider debate, I should agree with my hon. Friend. It is rather unfortunate that we spend money on this so-called European Assembly. I am sure that no one would notice if it disappeared tomorrow, but we cannot discuss that point when we are dealing with a narrow amendment. Unless the Government can spell the matter out so that we can go to the European Court of Justice, there is no assurance.

My right hon. Friend the Prime Minister is a doughty fighter to control public expenditure. She is a splendid campaigner for common sense in public spending, and she has had repeated assurances from the Commission that it will take steps to cut the export of cheap food to the Soviet Union. Those assurances have been repeated in the House. We know what happens, however—the export of cheap food to Russia is now breaking all records. We are now sending 145,000 tonnes of cheap subsidised food to Russia and Eastern Europe every week, and at the most crazy prices—top quality beef at 35p per pound and wine at 4·5p per litre. If, instead of assurances and good will, we had matters spelt out in law or in treaty, we could go to the European Court of Justice and say, "They are breaking the rules. They are giving money to the mafia to destroy non-existent tomatoes. They are refusing to give compensation for a broken leg suffered by a civil servant who tried to stop it."

Mr. Leighton: Is the hon. Gentleman aware that there is no proper auditing of these accounts? Is he aware that the Court of Auditors does not have the machinery, but relies on national machinery, the quality of which varies? Is he further aware that the intervention price of oranges is decided by the price set in Sardinia, and that the price in Sardinia is set by the supply of water, which is controlled by the Mafia? Therefore, the price of oranges is controlled by the Mafia, and we are all being ripped off.

Mr. Taylor: The hon. Gentleman is absolutely right, but I cannot pursue that matter because it is not covered by this narrow amendment. It makes by blood boil that my local hospital authority has to contemplate ward closures when millions of pounds are flowing daily to the extravaganza of the Common Market. Unfortunately, we cannot discuss that on this narrow amendment.

We should not make the same mistakes again. When we are told that Britain will get a substantial rebate, we must ensure that there are no loopholes. The only way to block those loopholes is to ensure that everything is covered by law, so that we can go to the European Court of Justice.

Why are the Government unwilling immediately to accept the amendment? What would be wrong in incorporating the document? I have looked for an explanation and read the Government's papers. The Treasury document refers to COM (85)36 in the following terms:

"In order to accurately calculate the figures involved, a more detailed methodology is required than could conveniently or appropriately be included in the own resources decision itself".

What on earth does that mean? We are not incorporating or printing the own resources decision. It is not in the Bill,

because if it were there would be 1,000 amendments on account of its inadequacies. We merely have a reference to the fact that the decision is regarded as a treaty in terms of the European Communities Act 1972. If the Government decided to accept amendment No. 5, they would not have to spell it out or print it—they would simply have to say that this Commission decision is included. I cannot understand what is to be lost by doing that. It would mean one extra line in the Bill—perhaps only half a line.

8.15 pm

Can the document covered by the amendment be changed by the Commission, which is comprised of civil servants, or by the Council of Ministers by directive? Is it not just possible that our firm assurance on the rebate could be adjusted by the Commission changing what it regards as unallocated expenditure? I have no complaints about the document COM (85)36, because it says:

"As for the future, the final objective should be to apply the criteria in full, i.e. to eliminate the exceptions made for practical reasons. The final objective will be achieved, as rapidly as possible, as set out in Table 2 in Annex 3: for chapters in the first column: immediately, that is when the breakdown of expenditure for 1985 is calculated;"

The intention is good — all expenditure, with the possible exception of overseas development expenditure, will be included. Rebate will be on total allocated expenditure. That means something. However, there is nothing to stop that being changed unless the policy decision of the Commission is incorporated in law. That is why the amendment should be accepted.

Is COM(85)36 considered too long for inclusion? That cannot be the answer, as it is no longer than the decision. As was said several times during the points of order that were raised, we are still somewhat in the dark about amendment No. 5, because relevant decisions have been made in Milan. We have read in the papers—it might or might not be true—that they are thinking of setting up some grand new office to establish a European political policy, under which, it has been suggested, Governments would be instructed on how to vote at the United Nations. Will that use allocated expenditure, or unallocated expenditure? I do not know, but we are entitled to know.

Some people have said that it would be good to have a Community foreign policy. I remember the invasion of Afghanistan, when the Council of Ministers issued a statement that was less strong than that issued by the Italian Communist party. The Government are using money to establish a new bureaucracy which will form a Common Market Foreign Office. It will obviously be a big thing and expensive, and it is quite likely that some of our Foreign Office staff who work on EEC affairs will join it.

I have another question which also arises directly out of the meeting at Milan, which is why we should not be debating the Bill today. We should know first what was decided in Milan, rather than what accurate newspapers, such as *The Guardian*, and inaccurate ones, such as *The Times*, have to say about what might have been agreed. It has been confirmed in parliamentary answers that overseas aid expenditure has gone haywire because, although the Common Market said at Dublin that it would send 1·2 million tonnes of food to the drought-afflicted countries of Africa before their harvest, it has not been able to do so.

The Common Market has managed, however, to expand its export of cheap food to the Soviet Union, Bulgaria, East Germany and Czechoslovakia, but the export of 1·2 million tonnes of food to the Sahara has gone wrong. It seems that less than half has been delivered. We shall therefore have a substantial underspend. It is tragic that, when the Common Market is overspending wildly on the export of cheap food to Russia, on steel and on the expense of the European Assembly, the one area on which it is underspending substantially is aid to Ethiopia, Mali and other countries facing hardship.

We cannot discuss that matter on this narrow amendment, but what will happen to the money that is saved by not sending food to Ethiopia and Sudan because of inefficiency or a lack of will? Will the money be allocated expenditure for next year? According to the decision, money can be carried forward after 1986, but can it be carried forward from 1985?

This is a matter on which we must advance. If we do not incorporate the measure, what will happen to 1985 underspending, which has meant that, tragically, the Common Market has failed to keep the promise made at Dublin, to deliver food to the drought-stricken countries of Ethiopia, Mali and Sudan? I should like to know what the score is. Is that allocated or unallocated expenditure?

Surely the Minister accepts that on this bad deal for Britain, according to the estimates in the Treasury White Paper, we as a nation will pay £970 million net into the Common Market in 1987, which is well above what we have paid in previous years and much more than countries such as Italy which are paid for being members of the Common Market. If we are to pay the absurdly high sum of £1 billion a year net into the Common Market, surely the least that we are entitled to is a clear assurance that the total will not be increased by an administrative decision of the Commission.

Is it sensible for a great democracy such as Britain to have such decisions in relation to the amendment made by people who are not elected, but are civil servants of the Common Market? European union just cannot work, because the democratic tradition of the continent is so different, by giving more power to the Administration rather than to the politicians.

Surely the Minister can accept that even on this poor agreement for Britain, which will mean spending £1 billion a year on our net contribution, we must have certainty. We cannot have that certainty until the basis of allocated expenditure is spelt out in such a way that if anyone should try to cheat, and if the Commission tries to change the rules, we can go to the European Court of Justice and demand that something be done. Can we go to the European Court of Justice on the basis of a letter that was written way back in February 1985 from Mr. Andriessen to Mr. Andreotti? We cannot do that, but we can go to the court if something is regarded as a treaty, or is fact. Therefore, I think that the good intentions of the Commission, and its intention to eliminate the exceptions to allocated expenditure, must be incorporated as part of the treaty. Then we can do something if attempts are made to change our contribution.

I hope that the Minister will not simply say that we have full confidence in our friends in the Community, that they will do everything right. The way that things are going, the Minister may well find that before the Bill has been law for six months the Community has been changed. The six original members will have their Common Market, and the others, including ourselves, will be in a different sort of Common Market. What will be our position then in appealing to the Commission to carry out its message of

[Mr. Taylor]

good will? It is abundantly clear that the six original members of the Common Market are desperately keen to go their own way and have a treaty of union and goodness knows what.

The British people would never stand for us being involved in such a denial of our basic democracy. The change will come. Unless it is spelt out in law, we have no assurance at all. Without that assurance it would be possible for the Commission or the Council of Ministers to say that they had decided to change what they regarded as allocated expenditure and that they were pressing a new decision, passing a new directive. They should do so by majority vote, because more things can now be done by majority vote, but where is our protection? The Minister might say that it would be intolerable if that happened and that the Republic of Ireland and Denmark might rush to our aid. That is not much help if all the other member states are voting against us. Britain is sometimes on its own in the EEC. We do not have many friends in the Community, so that could happen. Therefore, we must incorporate the measure.

The Minister may say, "Even if the calculation is incorporated it will not safeguard us fully against the dangers, because it says simply that the objective of the Commission is to eliminate unallocated expenditure." Of course it will not be a full safeguard, but at least it will be something on which we could go to court. If one incorporates the provision in a treaty, saying that something is the objective and intention, one has something to go on, instead of nothing. If we do not do that, what is already a tragic deal for Britain, which will cost us £1 billion per year, will look a great deal worse.

As the Minister is aware, we are all the time finding out that things are worse than they were. The other day we received the appalling information that on top of our £5 billion net contribution so far, £1,700 million of our receipts are not receipts to Britain, but payments to British traders to send cheap food to Russia. So the money does not come to us at all. Therefore, we are finding all the time that it is costing more and more. Unless we can firm up on what has allegedly been the deal, we shall be relying totally on the good will of the Commission and the Council of Ministers. That is not good enough for us. The Government are insisting that we pay £1 billion net per year to the Common Market. We must say, "That is all. No more." When I say "no more", I mean, as well as no more contributions, no more fiddles, frauds or ways of getting around it. Unless that is incorporated, we have no assurance.

For once, let the Common Market be united and say whether it agrees with the British deal. We should say whether we think £1 billion a year is too little, as some of our right hon. Friends think, or whether £1 billion a year is too much, as I believe. Whether we disagree or agree with that, let us agree at least to firm up the arrangement so that the Common Market cannot make us pay more by shifting round allocated and unallocated spending.

I hope that the Government will accept the amendment. I hope that they will not reject it because they say that it is inadequately drafted. I hope that they will agree to another one to firm up the arrangement. We want a clear, binding assurance that we shall not give the Common Market a penny more than the £1 billion net payment a year under the agreement. That is more than enough for me. I hope that every hon. Member, including those who vote for the Government and think that the Common Market is the best thing since sliced bread, will at least agree that we should not leave a loophole, which will mean that the £1 billion a year could become £1·25 billion or £1·5 billion. It should not happen at a time when the Government and the Treasury are telling local authorities and hospital authorities to cut down on spending. We must be firm on the matter. If we are not firm there, we might as well give up.

Mr. Nigel Spearing (Newham, South): The hon. Member for Southend, East (Mr. Taylor), which, after all, is the VAT capital of the country, has put a most compelling case. We look forward to the Minister's reply.

In the relative informality of Committee, I should like to thank you, Sir Paul, for your patience at the beginning of our proceedings. However, you may recall that when the European Communities Bill was discussed in 1972, your predecessor, Sir Robert Grant-Ferris, started taking points of order at 3.30 pm one day. I think that they went on all night for some 16 hours, and we started on the first amendment at 7 am the next day. That was not surprising because the points of order, like those that we are dealing with at the commencement of the Committee, were about the powers of the House and its control of money. That is the heart of the power of Parliament.

The amendment relates to the method of calculation of such a transfer of money. It is a refinement; it is an additional requirement that we are making of the Government in the way in which the hon. Member for Southend, East described, precisely to put that formula and its rules into treaty form and into British legislation by becoming part of the Act. Unless the amendment is accepted, that will not happen.

The calculations relating to the flow of money are important. During the discussion of the Bill to which I have just referred, the then Prime Minister said that those matters did not affect the Crown, and that the position of the Queen would be unaltered. However, that is not true, because the money that will flow from the Act, the treaty and that calculation, if it is incorporated, relates to section 2(3) of the European Communities Act itself, which states:

> "There shall be charged on and issued out of the Consolidated Fund or, if so determined by the Treasury, the National Loans Fund the amounts required to meet any Community obligation to make payments to any of the Communities or member States, or any Community obligation in respect of contributions to the capital or reserves of the European Investment Bank."

It then lists all sorts of other obligations placed on the House and the Treasury. The document that we want to include in the decision will determine the sums that the Treasury is obliged to pay. In other words, it affects the obligation of the Crown to pay without further question more or less moneys. That is why we want the document included in the decision.

8.30 pm

The decision, which is Cmnd. 9549, says in article 3, paragraph 3:

> "The rates shall be calculated as follows."

Subparagraphs 3 and 4 spell out how the calculations relating to rates and rebates are made. One might have thought that that was sufficient. What is the need for any further document? As the hon. Member for Southend, East said, there is considerable further documentation in COM (85) 36. Indeed, a full description is given in the Treasury financial memorandum, which the Financial Secretary

signed on 27 March, and which the hon. Member for Southend, East quoted. I repeat the extraordinary sentence:

"In order accurately to calculate the figures involved, a more detailed methodology is required than could conveniently or appropriately be included in the own resources decision itself."

That is an extraordinary statement. I am not blaming the Financial Secretary for inserting it in the explanatory memorandum because it is a true description. Why is it not included in the decision in Cmnd. 9495, which was originally a council document translated into a British command paper? I shall return to that point towards the close of my remarks.

The Scrutiny Committee on European Legislation in its fifth report this Session, HC 5 XIX, comments on the status of the document. It states:

"The Committee understand that the calculations proposed in this instrument follow precisely the form expected following discussions with the Commission and that it meets the Government's requirements accordingly. They note from the Treasury Explanatory Memorandum that the Council of Ministers will be invited to endorse it by a statement in its Conclusions when it finally adopts the new Own Resources Decision (i.e. placing on the record that the Commission has proposed this method of calculation and that it has been accepted by Member States). The Committee are advised that once it has been endorsed by the Council in this way, the Commission would be obliged to carry out the calculations in the forms so endorsed: there could be legal (as well as a political) base for contending that the Commission could not vary its terms without reference to the Council."

I take it from that that there may be other possibilities. The Committee continues:

"The Committee note that the unusual status of the present instrument arises from its origins in Article 3(3), (4) and (5) of the main 'Own Resources' instrument."

If the instrument arises from the decision, why can it not be part of it? Why is that instrument not part of the designated documents, which make up the whole treaty? We look forward to the Minister's replies to those questions.

Mr. Teddy Taylor: Did the hon. Gentleman's Committee believe that the Government could go to the European Court of Justice, if the Council of Ministers or the Commission decided to adjust what they regarded as allocated expenditure for the purpose of Britain's repayment?

Mr. Spearing: I am grateful to the hon. Gentleman because that is the legal nub of the matter. The matter is completely uncertain. It is uncertain whether the Commission can change the formula with or without the permission of the Council, whether the Council's decision must be unanimous or in some other form, and, whatever the outcome of that, whether COM(85)36 is part of the treaty. The formula is not part of the decision, and, therefore, I am not sure whether the European Court of Justice could accept locus in it. The court might accept locus because the document is a council decision. If there were an argument between the Council and the Commission about who had the final say about whether COM(85)36 should be changed and, if the document changed, within what limits, there might be locus for the European Court of Justice. I do not know whether it is binding as an international treaty and as a Community treaty, which is what our Bill attempts to designate. That is a grey area which should not exist. That is a reason why the amendment should be accepted.

The Government have not made it clear how they stand in relation to other parts of the calculation, of which the document is part. I referred to that in a brief intervention in the speech of my hon. Friend the Member for Hamilton (Mr. Robertson). During the past few weeks, all the talk has been about VAT contributions. The percentage has been raised from 1 per cent. to 1·4 per cent., and it has been claimed that the present Community partners will have to raise their VAT contributions to 1·35 per cent. while ours will be less than 1 per cent. We forget that the VAT element is but one component, albeit an important one, of our contributions to the EEC.

That was spelt out in the document produced by the Scrutiny Committee, HC 78 VI, Session 1983-84 entitled:

"Future Financing of the European Community."

Table 1 is clearer there than any Government statement. The Economic Secretary will correct me if I am wrong, but I have not seen the table brought up to date so clearly. It shows that in 1982, the last year shown in the table, our VAT contributions amounted to £1,554 million. However, our combined customs duties and agricultural levies amounted to more than £1,200 million. Therefore, although the VAT element was greater than that of levies and customs, it was only slightly more than half of the total contribution.

The reason for new own resources is that the agricultural levies and the customs duties are a fixed sum. If anything, they may decrease, but they cannot be enlarged unless the common Community tariff is increased. That would not bring in a great increase. Therefore, all the increase must fall on the VAT element, which is why the 1 per cent. ceiling has had to be increased. At this stage, I must ask the Economic Secretary to confirm that the 1 per cent. VAT contribution is incorrect and that the figure is more like 10 per cent. of VAT take.

One of two consecutive articles by Mr. Ian Murray, which tell us why we should have passed the Bill last week, got that entirely wrong. He implied that the 1 per cent. VAT was 1 per cent. of VAT yield. In our Select Committee report it was clear that the figure was 10 per cent. or more of VAT yield, even at 0·98 per cent., or whatever we paid last year. As a rough guide, therefore, a 1 per cent. VAT contribution means about 10 per cent. of our VAT take.

Let us consider what has happened so far. I am obliged to the Library for providing figures not easily ascertainable without poring over many pages of *Hansard*. I understand that the provisional figure for our VAT own resource contribution for 1984 is about £1,729 million while the amount arising from customs duty and agriculture levels is about £1,500 million. I mention those figures because the Economic Secretary, whom I am glad to see in his place, in his article in *The Times* of 25 June made great play, as all the publicity does, of the fact that we shall be paying much less as a result of the rebate formula being discussed in this debate. The article says:

"Although the VAT rate for other member states is put at 1·35 per cent., the UK's Fontainebleau abatement of over £800 million means that our VAT rate would be 0·82 per cent., well below the current ceiling."

I hope that when the Economic Secretary replies to the debate he will confirm two facts. First, the 1·35 per cent. is the enhanced VAT rate for the other partners and not the standard rate on which our 0·82 per cent. would be calculated. In other words, to the casual reader the gap seems much greater than it really is. If that is the case, as

[Mr. Spearing]

I have every reason to believe that it is, the Economic Secretary should say so and tell us why that inaccuracy occurred in his article in *The Times*.

The Economic Secretary to the Treasury (Mr. Ian Stewart) *indicated dissent.*

Mr. Spearing: The Economic Secretary shakes his head, but I understand that the figure of 1·35 per cent. in the documents which have emerged unofficially from Luxembourg includes the additional VAT contribution that our partners would have to carry as a result of our abatement. One of the complexities of this matter, with which even in Committee we have scarcely been able to grapple, is that the document under discussion provides for a cascade of recalculations. The rebate to Britain is calculated and that amount is then redistributed to increase the VAT contribution of the other member states. Moreover, that is not the end. There is a second cascade because the German contribution is then abated by 30 per cent., which is also redistributed. I suggest, therefore, that the 1·35 per cent. relates to the second final calculation and that the standard rate is more like 1·28 per cent., as has been unofficially quoted in Brussels. The hon. Gentleman's article in *The Times* thus makes the difference appear greater than it really is.

My main complaint about the Government's wide publicity on this is that the abatement is not even as great as I have suggested if I am right about the 1·28 per cent. standard rate because the abatement relates to our total contribution and not just to the VAT element. The Library tells us that the total contribution for 1984 will be about £3,259 million. If the abatement mechanism comes into effect our VAT rate may well fall to 0·82 per cent. and thus be below the 1 per cent. as the Government claim. My complaint is that the Government are applying the reduction just to the VAT contribution and not to the whole contribution. If one goes into a motor car showroom and is told that the basic price of a car is £5,000 and the extras are another £5,000 but that there is a rebate of 66 per cent. on the extras, the ultimate price will be reduced from £10,000 to between £7,000 and £8,000, but it would be quite wrong to claim that one had secured a rebate of 66 per cent. on the price of the car. The Government in their publicity have successfully exaggerated the rebate because it should be applied across the whole range of our contributions and not just to the VAT surcharge.

8.45 pm

At the end of document COM(85)36, which has been omitted from the decision that we are asked to endorse in the Bill, there is a series of tables and annexes setting out the exact criteria relating to allocated expenditure. The hon. Member for Southend, East repeatedly and effectively asked why the definition of allocated expenditure was not included in the decision when clearly it should be there. It is not found in the decision or even in document COM(85)36, but in the annexe to that document. The Economic Secretary said that that document is illustrative, but if he cannot accept the inclusion of the whole document he should at least agree that the annexes should be part of the decision. If he cannot agree to include them he must tell us why they were not included in the first place. Although those illustrative figures and calculations are extremely helpful, especially the calculation of Britain's 66 per cent., it may have been regarded as inappropriate to include illustrative figures in a treaty. Nevertheless, it is highly appropriate and indeed essential that the definition of allocated expenditure should be included. It is a matter of frightening complexity. The abatement of 66 per cent. about which the Government have been shouting so much applies only to the difference between our VAT share contribution and our share of allocated expenditure—that is the nub of the formula—so the definition of allocated expenditure is vital and should have been included in the decision. That is why the amendment has been moved and that is why I shall support it.

Mr. Budgen: The hon. Member for Newham, South (Mr. Spearing) has much assisted the Committee by explaining the importance of the definition of allocated expenditure. In so doing, he has reminded us of the fundamental conflict which occurred in Milan at the weekend. The Government frequently refer to the arrangement that they so fortunately and skilfully obtained at Fontainebleau as a permanent reduction of 66 per cent. in our contribution to the EEC. They also stress that instead of the old arrangement, whereby we paid a gross contribution and snatched back a rebate later after many rows and difficulties, we shall now have an abatement and make a net contribution. As the hon. Member for Newham, South so helpfully pointed out, however, the Government have said very little about the basis on which the 66 per cent. reduction is calculated. That is important.

I hope that I do not see disagreement where none exists, but I suspect that last weekend at Milan there was a fundamental conflict between my right hon. Friend the Prime Minister and the Foreign Office. It may well be that the Foreign Office had got the whole thing nicely lined up for a sell-out from which the Prime Minister would not be able to escape.

In no way, Mr. Walker, do I wish to give you unnecessary exercise, but I say that because we are talking about allocated expenditure, and expenditure is at the very root of political decision. Ten days ago my extremely eloquent hon. Friend, the Minister of State, Foreign and Commonwealth Office, spoke about the Foreign Office's attitude towards majority decisions — *[Interruption.]* I hope, Mr. Walker, that you will not keep looking as though you are about to take some unnecessary exercise, because this is about expenditure. My hon. Friend said:

> "The Government believe that it is desirable to encourage more majority voting within the Community." — [*Official Report*, 20 June 1985; Vol. 81, c. 472.]

My hon. Friend went on to explain that at length. As he does not speak from any notes or prepared text, no doubt he spoke from the bottom of his Foreign Office heart, for I assume that even the Foreign Office has a heart. He explained that he and the Foreign Office were in favour of a substantial extension of majority voting in the Community.

Was that just a fraud? Was it just something that he thought up as a Gaullist bit of hypocrisy in order to con the rest of the EEC? That is not the spirit of the modern Foreign Office. It does not talk in terms of the British national interest or of trying to put forward the legitimate interests of our people. It talks, as do American Foreign Secretaries, in terms of human rights and morality. It uses all the jargon that Mr. Gladstone used to use. It no longer talks like vulgar, coarse old Tory Foreign Secretaries of

State. There is not the sort of talk that Mr. Disraeli would have enjoyed as he denounced the moralistic vapours of Mr. Gladstone.

I am tempted to call the Minister of State my right hon. Friend. I am sure that as he speaks on foreign affairs with the voice of the modern Tory party, he will become just that. However, I am sure that my hon. Friend was right when he put forward the Foreign Office view about wanting more majority voting. We then must ask the Prime Minister about the areas in which we want this extra majority voting, because if the area is in any way to be important, it is likely to lead to extra expenditure. If my hon. Friend means majority voting in relation to an extra burst of the European international outlook, that will not cost very much. But if, for the sake of argument, he believes that majority voting should, for instance, be allowed on the setting up of the new secretariat that will concern itself with EEC foreign affairs policy, that will surely give rise to increased allocated expenditure.

Mr. Teddy Taylor: My hon. Friend obviously knows a great deal more about this than most of us. He has said that the new Common Market foreign office will mean allocated expenditure. How does he know that? Ever since I read the reports of Milan, I have tried to discover whether this will be allocated or non-allocated expenditure. Where has my hon. Friend learnt of this firm decision which I cannot obtain from any Government Department? Who told him that it would be allocated expenditure?

Mr. Budgen: I am not saying that, and I apologise to my hon. Friend and the Committee if I have given a false impression. I was simply saying that the area in which the British Government would agree to an extension of majority voting ought to be carefully defined. If we talk in the eloquent terms in which the Minister of State—who I hope will soon be my right hon. Friend—spoke 10 days ago, that will give rise to extra allocated expenditure, and the poor old British taxpayer will have to pay for it.

My hon. Friend the Member for Southend, East (Mr. Taylor) reasonably attacks me for the looseness of my speculation. But that looseness is entirely caused by the fact that, sadly, the Prime Minister is unable today to see off a large number of European nation states and the Foreign Office by explaining that she wants the most important limitation of this extension of majority voting. That inevitably leads me to loose speculation which my hon. Friend, with his practical Scottish mind, finds deeply disagreeable.

I point to an attitude towards public expenditure—for EEC is certainly public expenditure—that was recently indicated by my right hon. Friend the Minister of Agriculture, Fisheries and Food. On 13 June, I asked my right hon. Friend, when he was trying to agree some form of restriction on the prices of cereals, whether he had inquired if the proposals were within the budgetary guidelines. In what was no doubt a Freudian slip, he said:

> "I have been alone in asking the Commissioner, at almost every point of the negotiations, whether he remains satisfied that the cost of the package is within the financial discipline that has been agreed for the agricultural budget."—[*Official Report*, 13 June 1985; Vol. 80, c. 1039.]

If we do not know where the majority voting is to be extended, we shall find that the base——

Mr. Marlow: My hon. Friend knows that this issue exercises my mind and worries me almost as much as it worries him. He will be aware that this Bill is about setting a limit and a ceiling on the amount of Community expenditure. He is saying that if we are to go towards majority voting, other policies may be brought forward, with detrimental effects on the interests of the British taxpayer. Within the allocation of European policies that might have an effect, but there is to be a real ceiling on European expenditure because we shall agree to a 1·4 per cent. limit.

The Government have given no sign that they would dream of exceeding that 1·4 per cent. ceiling. I am sure that when my hon. Friend the Economic Secretary makes his winding-up speech, he will go beyond that and say that not only will the Government not go beyond the 1·4 per cent. ceiling in the life of this Parliament but that they have no intention, and it would be over their dead body, that there should be any further loans or intergovernmental agreements. I think that my hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen) is unnecessarily concerned.

9 pm

Mr. Budgen: I hope that my right hon. Friend the Prime Minister will see off the Foreign Office tomorrow and explain that she is not prepared to agree to any majority agreements that could give rise to extra allocated expenditure. That, as you were implying to me by your firm look, Mr. Walker, is what we are talking about.

Mr. Chairman: Order. That is not what we are talking about, because, as I understand it, there is no reference in the Bill to, nor has it any relationship with, majority decisions taken within the Council of Ministers or any other meeting in the EC. I hope that the hon. Gentleman will keep to the terms of the amendment and the Bill before the Committee.

Mr. Aitken: On a point of order, Mr. Walker. It may be helpful to the Chair to know that during points of order earlier, the Second Deputy Chairman ruled that it was in order for us to discuss things to do with the Milan summit in the course of our debates on these amendments.

Mr. Budgen *rose*——

The Chairman: Order. The hon. Member for Thanet, South (Mr. Aitken) has raised a point of order and I shall respond. As I understand it, the Second Deputy Chairman ruled that it was in order to refer to the meeting in Milan in so far as that related to our proceedings. It is highly questionable whether it would be in order to discuss the effects of majority decisions on the Bill before the Committee.

Mr. Budgen: I think that you will agree, Mr. Walker, that we are trying to incorporate within the Bill a Community decision. The Community decision refers to allocated expenditure; but, as my hon. Friend the Member for Northampton, North (Mr. Marlow) pointed out, it does not define allocated expenditure. I am saying that if we are not careful, an extension of majority voting, which was so eloquently advocated by the Foreign Office, but sadly apparently not with the approval of my right hon. Friend the Prime Minister, over the weekend, might mean that there is a majority decision—for the sake of argument, setting up an enhanced EC energy policy, which has been fashionable among those who are keen on the EC—which will have an effect on British interests.

[Mr. Budgen]

It might be said that there can be an enhanced energy policy but we shall not allow it to be regarded as allocated expenditure. That is to say, the EC can, if it wishes, carry on spending all the money that it likes on some policy that it has enforced by majority ruling, but the British are not prepared to pay. These are some of the issues that my right hon. Friend the Prime Minister will be able to clarify when she makes her statement to Parliament tomorrow, as I hope she will. It would be difficult, even for a loyal supporter such as myself, to try to support her position if she failed to come to the House of Commons even tomorrow.

My hon. Friend the Member for Southend, East spoke about the activities of the European Court of Auditors. He made a certain amount of fun of the Italians. In many instances, the Italians are not as nationalistic as we as a nation are, but they displayed a rather violent nationalism when they set about the gentleman from the Court of Auditors who wished to inquire whether they were ripping off the rest of the Community. I do not wish to make fun either of the Italians or of the unfortunate nark who came to inquire into their activities. They demonstrated for all to see an interesting problem in the EEC.

We all complain about the dishonesty of other nation states in the Community. We talk about the way in which the Germans are reluctant to allow cereal prices to be reduced. We talk about the potential that the Greeks have for creating another wine lake. We talk about the problems of persuading the Irish to accept milk quotas. But we come to one fundamental question every time that we do so: would we as a nation accept a supranational authoritative EEC enforcing against us any of the decisions of the EEC?

If we were sitting at home, for instance, filling in our suckler cow subsidy or our sheep subsidy form and, bang, bang, there was a knock on the door and a big man with a staff in his hands, perhaps with a Napoleonic eagle on the top or some other symbol of pan-European authority, came in and said, "Let me look at your application for sheep subsidy," suspecting that we had falsely claimed for too many sheep, what would happen? Would we say, pulling the remains of our forelock, "Yes, oh great and good man from the EEC, we invite you in. Pray look at all our books," or would we say, "Pray leave our house. We much admire you, but we do not wish you to interfere in our affairs"?

Some of my constituents resent the advice that gentlemen from Customs and Excise give them about their VAT forms. I also observe that, despite all the eloquence of my about-to-be right hon. Friend from the Foreign Office in his advocacy of Gladstonian and moralistic views about foreign affairs, sadly we remain a very nationalistic nation.

I suspect that we would entirely resent any form of EEC authority. Those wicked men in Italy who so attacked the gentleman from the Court of Auditors demonstrated that if the Italians, the least nationalistic of our friends in the close family of the EEC — is not the gobbledegook good, and am I not becoming communautaire? — can behave in that manner, so long as we are in the Community we shall have frauds, evasions and growing resentment between one nation state and another at the way in which other nation states spend the money that is collected for these apparently idealistic purposes.

Mr. Leighton: The hon. Gentleman made a big point about the extra expenditure, allocated or unallocated, which could come from majority decisions. Will he comment on the words of the Prime Minister about what stuck in her gullet? Apparently what stuck in the right hon. Lady's gullet—I suspect that we shall have to wait till tomorrow to hear what she has to say about it—was that the Germans paid lip service to majority decisions, but, when it came to cutting marginally the return to their Bavarian farmers, they were prepared to veto it. So the German lip service to majority——

The Chairman: Order. Interventions should be brief, and equally they should be relevant. I find it difficult to relate any of this to the amendment. I hope that hon. Members will stick to the amendment. Mr. Budgen.

Mr. Leighton: If I may——

The Chairman: Order. I have called Mr. Budgen.

Mr. Budgen: If I may respond to the first part of the hon. Gentleman's intervention, perhaps I may then give way again because he may regard my answer as inadequate. Those are all issues that my right hon. Friend the Prime Minister will, if given the opportunity——

The Chairman: Order. We are not talking about what the Prime Minister may or may not say tomorrow or any other day. We are discussing the document COM(85)36. I hope that the Committee will stick to that.

Mr. Budgen: Exactly, Mr. Walker. We are trying to find out what allocated expenditure means. We are asking who will pay when majority decisions are taken in future. Will they be debited to allocated expenditure?

The Chairman: Order. If the hon. Gentleman can tell me where in this document, to which the amendment relates, there is reference to majority decisions in future, he may be in order, but I fail to see it. I hope that we can get back to the amendment that is before the Committee.

Mr. Budgen: While I deeply respect your decision, Mr. Walker, I am addressing all my remarks to the term "allocated expenditure." One of the great dangers of the EEC is to talk in terms of policies and objectives as though they did not cost money. We have a large number of Keynesian supporters of the EEC on this side of the Committee. By their vigour and idealism they illuminate these debates, but they always talk about policies in vacuo as though, for instance, an EEC energy policy had no cash consequences. If there are majority decisions over whatever defined area, they will have an effect upon allocated expenditure. Therefore, it is better that we should define strictly "allocated expenditure" so that majority decisions cannot extend the expenditure of the EEC. That is the limited point. I hope that in due time the Committee will be able to support the sensible amendment on this point tabled by the Labour party.

Mr. Austin Mitchell (Great Grimsby): I support the amendment which would incorporate COM (85) 36. I assume that the copy before the Committee is the final draft. It should be incorporated in the Bill because it defines the machinery for operating the Council's decisions. That machinery would define the disputed areas of allocated expenditure. It is not the most exciting, appetising or thrilling of documents but because of the definition it gives to the agreement it is essential to incorporate it in the Bill.

That is even more essential after the setback of the Milan summit. That setback was heightened by the enormous hype that the Foreign Office went in for in advance of the summit. We were told what the British achievements would be. We heard about the quiet British takeover. How odd all those headlines are now. They emphasise the subsequent failure. It might be more relevant to discuss this matter in the clause stand part debate.

The point is that we suffered a setback. Therefore, it is even more curious that the Government are proceeding at such speed with this measure when all the counsel on diplomacy and negotiation would argue for proceeding much more slowly, or dragging our feet so as to strengthen our negotiating position in subsequent discussions. The Government decided to press ahead, which was a mistake.

9.15 pm

Undoubtedly, the Prime Minister was let down by the way in which the Foreign Office prepared her and the Government for the Milan summit. She was made a fool of by the Foreign Office's hype and the lack of briefing about the predictable realities. It was always predictable that, at the end of the discussions, Britain, with two other maverick states, would be in a minority.

The fact that the Prime Minister was let down does not exclude the fact that her position at Milan was essentially right. She opposed the rush to revise the treaties and, effectively, the rush to a two-speed Europe. In 1975, Britain decided in a referendum to accept the treaties. Presumably, the Prime Minister's reluctance to follow the Gadarene rush to revise the treaties stems from the need to hold a referendum to make that change. Some of us argue that this legislation would justify holding a referendum. Any change in the basis of the agreement on which the Common Market rests along the lines suggested in Milan would require a referendum.

I have no doubt that these changes will go ahead, despite opposition by the British Government. We are rapidly moving towards a two-speed Europe—a first and second-class Europe in which we are the second-class passengers. The Government will eventually have to go along with this proposal because it suits their interests, whatever the legal restrictions it imposes on their decision-making power. Progress towards this end is irresistible. During that process, the usual cries will be made—"Can we afford to be left out? Should we not go along with it? Should we make more concessions? Should we prove that we are more communautaire? Should we get within the guiding nucleus?" We shall be dragged step by step along a road along which the public do not want us to go. We were initially tricked into taking this road and it is not in our interests to pursue it. Following the Milan summit, this process is almost inevitable.

We need to take a firm and clear position. If the amendment is accepted, we shall stop the remorseless process that is dragging us further down the road towards revising the treaty of Rome and towards a more powerful Community. That is why the rush to pass this legislation is extraordinary and why we on this side of the Chamber will vote for the amendment to give us a firmer, stronger negotiating position. The definition to which the amendment refers will enable us to do that. Ideally, the Government should put the Bill into cold storage. They have shown their reluctance to do so by extending the procedures and dragging their feet. The Government should strenghten their negotiating position in future proposals. As the Government have failed to take up that stance, hon. Members must tie their hands with this amendment.

Mr. David Crouch (Canterbury): Does the hon. Gentleman not think that he is exaggerating when he talks about "this side of the Chamber" having to do this or that? In fact, he is supported by three hon. Members on his side of the Chamber. Is it not a bit of a cheek to the electors who elected the hon. Gentleman and other hon. Members to talk about having to hold a referendum when only three Labour Members want to support him in this momentous decision? That is a ridiculous stance.

Mr. Mitchell: The hon. Gentleman has asked me to intrude in domestic grief, which I have been doing for most of the evening. It is the domestic argument within the Conservative party which is the prime feature of our discussion. I was saying that the Opposition will vote to support the amendment. The discussion is focused primarily on the differences within the Conservative party and the hon. Member for Canterbury (Mr. Crouch) is a well-known protagonist on one side of the Community argument. He should not try to shift the consequences of the discussion between his right hon. and hon. Friends by diverting the argument and involving Opposition Members.

The amendment must be accepted because of the inadequate definition that is set out in the agreement. We must provide a firmer basis for the definition in our law than it would have if we passed the Bill as it stands.

It is clear that the Bill has an unsatisfactory title. It should have been given the title of the European Community (Refinance) Bill at the very least. My amendment, which was intended seriously, sought to change its title to the European Community's Bigger Bail Bucket Bill. Apparently that amendment was considered unworthy of appearing on the Notice Paper.

Mr. Marlow: I am grateful to the hon. Gentleman. I am sympathetic with much of what he is saying, but how will adding this particular document strengthen the Bill when—I know that he, like me, respects the Economic Secretary to the Treasury—the Economic Secretary, in his explanatory memorandum, says in paragraph 10 on United Kingdom law:

> "The paper is an internal Community document which sets out a line of procedure that the Commission intends to follow in a process that is its sole responsibility."

So this particular document is at the whim of the Commission. The hon. Gentleman and his colleagues seek to put this in as part of the Bill on the basis that it will strengthen the Bill. How does it strengthen the Bill when it is a whimsical piece of nonsense in the hands of the Commission in Brussels?

Mr. Mitchell: I shall address myself to that argument in a few minutes. It is important and I wish to take it up specifically. I think that we must try to define the current whim of the Commission in our legislation so as to stop the whim changing.

As I have said, I tabled an amendment that was designed to change the title of the Bill. The amendment before us is designed to specify the contents of the bucket. The Government have been triumphant in telling us that they have secured a rebate. Apparently they expect the country to gibber with gratitude at their self-described skill

[Mr. Mitchell]

and effectiveness in securing the rebate. We are supposed to regard the Government's achievement with a kind of adulation in our eyes as alliance Members show when listening to the speeches of the right hon. Member for Plymouth, Devonport (Dr. Owen).

The Government have agreed to a fundamental shift in financial power towards Europe and towards the Commission and to give larger contributions in return. Our contributions, even after all the rebates and all the allowances, will be £973 million for 1987. That is the estimated figure on the basis of the Blue Book. We are seeing the introduction of greater contributions and a shift in power towards the Market. We are agreeing permanently to underwrite the common agricultural policy, which, despite all the vaunted limitations, which have no effect against German vetos, remains a bottomless pit.

We cannot limit expenditure on the CAP by means of the Bill, but I wish that that were possible. The enactment of such a Bill would be a field day in introducing the limitations that must be imposed on the CAP. However, we can specify the procedures by which our so-called rebate is to be decided.

Mr. Spearing: The hon. Member for Northampton, North (Mr. Marlow) used the word "whim." The document that we are discussing describes the present disposition of the Commission in relation to the calculation of the formula, which, although it may not be ideal, is at least decisive. If it is not incorporated either in the decision or the treaty, there will be some scope for its change without necessarily the agreement of the UK. That is the objective of including it in the decision.

Mr. Mitchell: Precisely, and my hon. Friend, with his knowledge of these issues, anticipates a point that I shall be emphasisng. We can specify exactly what we are doing and, as my hon. Friend pointed out in his speech, we are not getting the 66 per cent. that the Government have claimed we are getting. We are getting a rebate of 66 per cent. on the difference between the value added contribution and allocated expenditure, and the latter is inadequately defined.

Will the Economic Secretary explain whether allocated expenditure includes the £300 million a year paid to British agri-business to export food at knock-down prices to Europe? Is that part of the allocated expenditure with which we are dealing in the Bill? All that we are getting is a rebate on the difference between VAT and that allocated expenditure. It does not include the other contributions that we make, the food levies and tariffs that go directly to the EEC.

We can specify how the rebate system will work. We must specify that, whatever the Government say about this having been a permanent victory and a permanent decision on rebates. This is essentially a temporary arrangement. It lasts only for so long as the 1·4 per cent. ceiling on VAT lasts, and all indications are that that will not last long. As soon as the 1·4 per cent. ceiling is raised, our rebate system, of which the Government have made such a triumph and fetish, will be back in the melting pot with everything else.

At that time, when we come to try to extend it and even improve on it, we shall be back in a minority of one arguing in an even more difficult situation because, by then, the other member states will be well aware of the increases in their VAT contributions which have been necessary to reduce ours. That is causing resentment already, even before the scheme comes into operation. The fact that it will be in operation at that stage will heighten that resentment and make it more difficult to get the rebate system extended.

It is, therefore, not a permanent but a temporary rebate system. For that reason we must include all the definition that we can in this piece of legislation. That is why we must include, as the amendment says, "COM(85)36" in it. The whole system can be varied by the Council and the Commission. That is my reading of the situation. Indeed, it already has been varied by the Commission. After all, the Government's explanatory memorandum on the document dealing with the method of calculation and correction defines the expenditure from which the gap will be calculated, and says:

> "The Fontainebleau Council agreed that the expenditure to be included in the calculation should be that 'allocated in accordance with the present criteria'. This in principle means everything that is not obviously intended for the benefit of third countries ie. development aid. In practice certain other items of expenditure have in the past been excluded because of practical difficulties in allocating them to Member States."

The Commission now proposes that those items should be included in the allocated budget, some immediately and some gradually. Therefore, even at the start of the process, it has changed the basis on which the allocation is decided. How can we trust the Commission, if it has done that already, not to make changes which will further weaken Britain's position?

9.30 pm

That change in the allocation system should have been strongly opposed. Why should a system that has been accepted and become almost traditional — if anything can be traditional in the Common Market—be changed by the Commission simply for the opportunistic purpose of increasing the British allocation and, therefore, decreasing the gap to be filled by the rebate system? That should have been contested, but apparently the Treasury accepted it. The 19th report of the Select Committee on European Legislation states:

> "The Committee understand that the calculations proposed in this instrument follows precisely the form expected following discussions with the Commission and that it meets the Government's requirements."

It was the Government's decision not to oppose the change in the allocation, and the Committee is now seeking to enforce that by specifying the inclusion of this system of adjustment in the document. Since that basis of allocation has been accepted by the Government, all that the Committee can do is to confirm the Government's decision and incorporate it in the Bill.

We must do that, because unless the document is incorporated in the Bill the Commission and the Council can change their minds. Once it has been ratified by all the member states and it is included in the final ratification by the Council, it will be accompanied by a declaration that is not binding, not by a decision that is binding. I hope that the Economic Secretary can enlighten us on this point. My understanding is that the declaration which would incorporate that machinery would not be binding in the same way as a decision, which it is now too late to get, would be binding. Therefore, it could be changed by the Commission.

The Minister might say that we can take for granted the good faith of the Commission. If we can trust the Commission, there should be no objection to the incorporation of its decision in our legislative process, thus effectively making it a condition of payment, and thus specifying the exact machinery by which payments should be made. My view, which is perhaps more cynical, is that we cannot trust the Council, because of the unpredictability of its decisions, or the Commission. We heard earlier in the debate how little we should trust the Commission's decisions when the fundamental moral decision on the scale of aid to Ethiopia has not been fulfilled. We must also accept the political position and the pressures under which the Council and the Commission will be.

Despite the increase in VAT contributions, the Community will still be in severe financial difficulties. In that position of severe financial difficulty, anything that is not essential — common agricultural policy expenditure is essential and is mounting steadily — will have to be squeezed to make way for the continual increase in CAP expenditure. The concessions made to Britain will be one area in which the squeezing process is certain to continue by the traditional method of re-jigging, recalculating and re-working the figures, trimming the concession by administrative decision. In resisting that process we are as popular as the man in the Amplex advert. That is the sort of influence we have on the councils of the Commission.

I do not trust the Commission or the Council which may well change the arrangement; therefore it is important to incorporate it in our law. The amendment would provide the legal basis to object to any change in the machinery that the Government have accepted. On that basis, we are seeking to ratify the Government's decision and incorporate it in our legislation. Once it is incorporated in our law it cannot be changed, because that is the condition on which we are making the payment in the first place, and it is certainly the basis for an objection in the court to any attempt to change it.

The amendment is vital because the process of change is going on apace in Europe and the pattern of that change is against us. We are not in a strong position in the EC. We are a natural and inevitable minority in an institution that does not suit us. As we are constantly trying to improve the inadequate terms on which we joined the EC, and to redress the difficulties that we have faced, we are always negotiating from a position of weakness. Therefore, it is always difficult to get changes made. We are not beneficiaries from the CAP in the way that the other member states are.

The whole tenor of the debate in Milan has been to underline our inevitable minority position of difficulty. In that position we need all the strength and legal clarity and all the firm negotiating positions that we can get. That is the reason for the amendment. We can always be communautaire, as the Euro-enthusiasts would like us to be. Indeed, the Foreign Office, which is the prime home for the Euro-enthusiasts, would like us to be communautaire and to lie on our back and be tickled by the toe of the Common Market, but that should not be the position of this House. We should seek to get the existing agreement incorporated in our legislation. It is no use expecting that political decisions will not be changed in directions that are unfavourable to us. We can oppose that process by incorporating the Commission's own decisions —accepted by the Government—in the clause.

Sir Richard Body: There have been some cogent arguments in favour of the amendment, in particular from the hon. Member for Great Grimsby (Mr. Mitchell). I hope that by now the Minister has been persuaded that we must have firmer provisions in the Bill.

In the past there have been many misunderstandings. My hon. Friend the Member for Canterbury (Mr. Crouch) and I were once shoulder to shoulder in agreement. Years ago we argued together in favour of Britain being in the Community. We then hoped that there would not be perpetual bickering and misunderstanding, nearly always about money. It has not advanced the cause of European unity, as the Minister knows only too well. Therefore, it is essential that our position should be made absolutely clear. It is not good enough for the Foreign Office to say that we are among friends.

My hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen) talked about Disraeli. I shall go further back to Palmerston, who said that a nation did not have friends: it only had interests. I sometimes wish that the Foreign Office would remember those words. They were said when only two or three clerks were employed in the Foreign Office. The Foreign Office was then a great deal more effective not just on the world stage but in looking after our wider interests than some of us believe it is today. It is in our interest to be part of Europe and to try to solve a number of problems with our European partners.

There are two points where there will be trouble in the next few years if we do not get the Bill right. My hon. Friend the Member for Mid-Worcestershire (Mr. Forth) has been an almost lone voice with his warnings about what might happen when Spain and Portugal enter the Community. I visited those two countries not long ago with the Select Committee on Agriculture. I applaud and support everything that my hon. Friend has warned the House about, argued about elsewhere and written in articles.

I do not believe that we have realised what the cost of Spain and Portugal's entry will be. That does not relate solely to the common agricultural policy. We shall be doing things to Portugal which will cause great damage to that country's economy. We shall then need more money —not for the common agricultural policy because that will not help Portugal—for the regional and social funds to prevent an increase in unemployment among those Portuguese farmers who will be driven off the land as a result of the common agricultural policy.

We understand that one of the reasons why we seek to bring in Spain and Portugal is to strengthen their role in Western Europe and to make them more certain NATO partners. If they become impoverished and have increased unemployment, in addition to the 30 per cent. rate of inflation that they now have, that will not make them suitable NATO allies. That is why my hon. Friend was correct to say that we have not correctly understood the great burden that will be placed upon us and upon Portugal when Spain and Portugal enter the Community.

We must be ready to advance a great deal more money to Portugal—a great friend of ours, as we are all aware —to enable it to play its part in the Community.

The story of Spain is different. There will undoubtedly be an added cost to the common agricultural budget as a result of Spain's admission to the Community.

I am also worried about development aid. My hon. Friend the Minister has given us the explanatory

[Sir Richard Body]

memorandum. If I understand it correctly, development aid is secluded. In the allocation of the budget there may be items of development aid which will not be considered under the Bill. In the past 12 months there has been a considerable increase in public interest in the Third world. At the same time, we have been growing angry about the mounting wheat surplus. All of us in the House know that under the common agricultural policy we cannot hand over the wheat, maize or those other commodities that could be eaten in those countries where there is starvation. Those items must come under a different heading in the Community budget. I understand that they will not be affected by the Bill. It seems that there is likely to be another bumper harvest this year, and we already have millions of tonnes of surplus wheat. If we have still more, there will be a demand that some of it go in development aid to countries which need it. The explanatory memorandum says that such expenditure would be outside the allocated budget.

Those two areas are in danger of causing trouble, bickering, ill feeling and accusations of bad faith. We have had that for 20 years now and if we want genuine progress towards European co-operation, we must take every step to prevent matters getting worse. I therefore support the amendment and hope that my hon. Friend will be good enough to accept it.

9.45 pm

Mr. Aitken: Like my hon. Friend the Member for Holland with Boston (Mr. Body), I shall be brief, not least because we should move on to the important group of amendments that my right hon. Friend the Member for Worthing (Mr. Higgins) intends to introduce.

This has been a useful debate because, at the heart of the amendment lies the worry that the so-called permanent arrangements for rebates and abatements is impermanent. Several hon. Members have drawn attention to the fact that we are already spending 1·35 per cent. of own resources and that it does not take much of a push to reach the 1·4 per cent. limit. Once we are over that limit, the whole edifice of these abatements and rebates is in jeopardy.

My hon. Friend the Economic Secretary to the Treasury seemed recently to suggest that even the weather might push expenditure over the 1·4 per cent. limit. If the basis of these arrangements is that shaky, we must get something more certain. Certainty is the one thing that we lack in much of the Bill and in many of the calculations. The Bill should be called the European Communities (Temporary Finance) Bill. The arrangements are built on sand, or rather quicksand in view of the conflicting statements on the Government's explanatory memorandum and the Commission's document.

The explanatory memorandum honestly states the truth. It says that there will be no impact on United Kingdom law and that:

"The paper is an internal Community document which sets out the line of procedure the Commission intends to follow in a process that is its sole responsibility."

In plain English, we have to trust the Commission. Trusting the Commission, however, is the triumph of hope over experience.

My hon. Friend the Member for Southend, East (Mr. Taylor) drew attention to the fact that the Commission's assurances that the quantity of food being sold cheap to the Soviet Union and its satellites would be reduced have proved worthless. My hon. Friend the Member for Mid-Worcestershire (Mr. Forth) mentioned the unreliability of the Italians. It is a fallacy to say that we can treat the Commission as a rock on which all calculations can be based.

In addition to the already doubtful and shaky basis for our calculations, we have had the dramatic events of the past 48 hours at the Milan summit. I suppose that a good communautaire figure would say that the situation is now mouvementé. After those convulsive changes and extraordinary disagreements, how can we possibly put trust in the Council of Ministers or the Commission itself as being a firm, rocklike structure on which calculations on Britain's level of contributions and abatement can be based? Therefore, my plea is that what is needed above all, with regard to the amendment, is not a sentiment of Foreign Office good will—"Trust the Community"—but a firm legal basis. If there is a row, can we go to court? At the moment, the answer seems to be definitely no.

What we are after is certainty. In later amendments, we are after limits. I noticed the other day that my hon. Friend the Member for Watford (Mr. Garel-Jones), who seems to be wearing a more anxious expression than usual on his normally cherubic countenance, was reported as saying words to the effect that the rebellion on the Bill would not amount to very much because it would be just the usual few old lags. I say to my hon. Friend that the old lags may be few in number—not that that has ever mattered in this place, because, as Burke said, one man with conviction makes a majority—but the few old lags are being joined by a great and powerful ally. The title of that ally is the march of important events. The events at Milan have shown the Government's vague, hopeful, optimistic sentiments to be quite worthless.

I am sorry that the point of order at the beginning of the debate was not decisively accepted, although a broad hint was dropped by the Chair that it might be accepted. We are debating those hoped-for certainties in a vacuum when as a result of the Milan summit nothing is certain in the Common Market any more. We have chaos and confusion. The whole institution is in disarray. If, despite all that chaos, we say that we can be absolutely certain that our little abatement arrangements will be rock solid, that is dangerous nonsense. That is why the Opposition amendment deserves the support of the whole House.

Dr. Oonagh McDonald (Thurrock): We have had an important debate on an amendment which, at first sight, looked as if it were simply a technical amendment. The Economic Secretary's article in *The Times* of 25 June will give us the reasons for the doubts. In that article he says:

"Britain's abatements are now entrenched into the Community's financial legislation and cannot be changed without our agreement."

When we began to look at that, we realised that that was not clear in the Bill, so it was necessary to include the abatement document as part of the Bill. Therefore, our amendment makes that abatement mechanism legally binding.

On further examination, the following question arises: who can change the abatement mechanism? From the Select Committee's report it is clear that the Committee considered, on its examination of the document,

"that the Commission could not vary its terms without reference to the Council."

That is stated on page 8 of the 19th report. The Committee then notes the unusual status of that document and concludes that the communication — the consultative document to which we have referred in the debate — may be seen as

"additional help to Member States in understanding the Decision rather than a matter of formal necessity."

When we look at the explanatory memorandum provided by the Economic Secretary, which has been much quoted in the debate, it appears that the abatement mechanism is a procedure for the Commission alone. The debate has brought that uncertainty clearly to light. Hon. Members on both sides of the House have contributed to that. The Economic Secretary must tell us clearly who can change the abatement mechanism. That is in doubt from an examination of his explanatory notes, the report of the Select Committee on European Legislation, and even of the document which, regarding the allocation or exclusion of expenditure, on page 3 states:

"similar measures . . . will be excluded by Council decision."

Annexe 3, table 2, to which an earlier part of the document directs us, refers to expenditure still to be allocated and expenditure to be excluded by chapter. It talks about chapters to be incorporated immediately by the Commission. Even in that consultative document, 5046/85, there appears to be some confusion about who is meant to take what decisions. The Economic Secretary must answer that question this evening. Unless that matter is sorted out, he cannot say, as he said in his article in *The Times*, that

"Britain's abatements are now entrenched into the Community's financial legislation and cannot be changed without our agreement."

Hon. Members have rightly referred to the Milan summit, the way it ended and the future. Today's leader in the *Financial Times* makes the point clear when it states:

"Mrs. Thatcher must now rethink her position. Since she attaches great importance to the liberalisation of the Community's internal market and the removal of all national barriers to trade, it is essential to reach agreement on how the necessary decisions are to be taken. This means that she must reach an accommodation on the constitutional issues with the majority of the member states, on political as well as practical grounds."

I wish to emphasise the phrase

"how the necessary decisions are to be taken."

If decisions are to be taken by majority voting in future, because of the collapse of the Milan summit and all the acrimony, anger and hostility which that generated, and if the Council can alter the abatement mechanism or decide what counts as allocated expenditure and what does not, that could be taken by a majority decision and we could, presumably, be voted down. The issue of who takes what decisions is of crucial importance. The Economic Secretary must answer that question.

The reduction in our contributions has been expressed misleadingly. The agreement reached at Fontainebleau provides for a refund of 66 per cent. of the difference between the United Kingdom's VAT share payment to the allocated budget and its receipts from the allocated budget. Yet if we apply the Fontainebleau mechanism to our 1982-83 payments, the figure would not be 66 per cent., but 58 per cent. in 1982 and 52 per cent. in 1983. The reason for that is that the Commission has decided that some, if not all, of our payments of agricultural levies and customs duties count as payments to the Community. The 66 per cent. figure is therefore misleading and suggests that our refunds from the Community will be better in the future. In fact, our net payments to the Community will increase to reach almost £1 billion in 1987-88, as the Government's own public expenditure White Paper shows.

Not only have we an abatement mechanism which now looks insecure and subject to change but the position has been presented by the Government in a misleading fashion suggesting that we shall do better in the future——

It being Ten o'clock, the Chairman *left the Chair to report Progress and ask leave to sit again.*

Committee report Progress.

BUSINESS OF THE HOUSE

Ordered,

That, at this day's sitting, the European Communities (Finance) Bill and the Further Education Bill *[Lords]* may be proceeded with, though opposed, until any hour. — *[Mr. Garel-Jones.]*

European Communities (Finance) Bill

Again considered in Committee.

Question again proposed, That the amendment be made.

Dr. McDonald: Not only have our future refunds from the Community been presented in a misleading fashion so that it looks as though we have obtained a much better deal than we really have, but it now seems that the abatement mechanism itself is far more insecure and subject to change than we at first thought and certainly cannot be described, as the Economic Secretary would have us believe, as being entrenched in Community legislation.

I beg the House to support the amendment because only in this way can we have any certainty about the abatement mechanism in the future. I suspect that it will soon come under pressure as Community spending continues to rise and that the 1·4 per cent. ceiling will be raised to 1·6 per cent. before January 1988. We want the document referred to in the amendment to be part of the Bill so that it will be legally binding. We must also insist that the Economic Secretary clarify the issue of who can change the abatement mechanism and whose agreement must be sought.

Mr. Ian Stewart: It may be for the convenience of the Committee if I concentrate on those parts of the debate relating to the abatement mechanism and the method of calculation rather than on the wider questions that have been raised.

The own resources decision, which is the first limb of clause 1, provides for an automatic abatement system which builds the reduction of the United Kingdom contribution to the European Community budget into a lasting and automatic system. As I have said on a number of occasions, it will be entrenched in the laws of the Community. I shall explain in a moment how that comes about.

This is a very important change, because in the past we have had to negotiate with great difficulty, year after year, to obtain refunds on the expenditure side of the budget. This often involved long and difficult negotiations with other Ministers in the Council, as well as causing difficulties with the European Parliament, and on a number of occasions we have had great difficulty achieving repayment.

Mr. Terence Higgins (Worthing): Will my hon. Friend give way?

Mr. Stewart: I shall give way in a moment. Despite the difficulties, however, we have achieved refunds of £2,500 million since 1980-81. I was about to say that that is more than the Labour Government achieved, but there is no need for me to say that, because the Labour Government achieved nothing at all. For the first few years of our membership of the Community we were protected by the transitional arrangements negotiated by the Labour Government.

Mr. Higgins: Will my hon. Friend give way?

Mr. Stewart: I shall give way in a moment. In 1975, the then Labour Government said that they had invented and agreed with the Community a wonderful financial mechanism to protect our budget position.

Mr. Budgen: On a point of order, Sir Michael.

Mr. Stewart: I shall give way in a moment, but I wish to make these points first.

Mr. Budgen: On a point of order, Sir Michael. Will you give my hon. Friend some guidance about referring to the whole series of negotiations?

The Temporary Chairman (Sir Michael Shaw): I am not here to give guidance to the Minister.

Mr. Budgen: I am sorry, Sir Michael, but I may have used the wrong word. Will you kindly rule on whether my hon. Friend's submissions about the bad deals done by the Labour Government are in any way relevant to the consideration of the deal done by the present Government?

The Temporary Chairman: Hon. Members are responsible for what they say.

Mr. Stewart: I am sorry that my hon. Friend should be so anxious to prevent me from pointing out the gross failure of the Labour party in dealing with European Community business.

Ten years ago the then Prime Minister, now Lord Wilson of Rievaulx, came to this House after agreeing the financial mechanism and said:

> "The arrangements which the Community has now agreed would, if Britain remains a member of the EEC, give us an assurance of a repayment of hard cash if we found ourselves in the future paying an unfair share of the Community budget." —[*Official Report*, 12 March 1975; Vol. 888, c. 511.]

That agreement produced absolutely nothing for the United Kingdom. I contrast that with the achievement of this Government, who by agreement with other member states have introduced the abatement system which is being proposed and ratified by the Bill.

Mr. Higgins: In his opening remarks my hon. Friend referred to the relationship between the increase in VAT to 1·4 per cent. and the abatement mechanism. May I refer him—I understand that it is based on the Fontainebleau agreement—to paragraph 4 of the conclusions of the presidency, which states:

> "The correction formula . . . will be part of the decision to increase the VAT ceiling to 1·4 per cent., their durations being linked".

From that it would seem to follow that if the ceiling went up to 1·6 per cent. the abatement would no longer remain, as that duration is linked only to the increase to 1·4 per cent. Will my hon. Friend elucidate that point?

Mr. Stewart: Indeed, I can. My right hon. Friend is right to draw attention to the fact that the duration of the abatement and the duration of the 1·4 per cent. ceiling are linked. The 1·4 per cent. ceiling remains in force until such time as it is changed by the unanimous agreement of all member states, including the United Kingdom, and until it is ratified by the national procedures of the Parliaments of all the member states, including the House of Commons. For the purposes of our abatement, that will continue until the House of Commons decides that it wishes to change it.

Mr. Marlow: My hon. Friend will be aware of the heavy news coverage since the weekend of the goings on at Milan, particularly over the possibility of majority voting. Is he saying categorically that whatever happens subsequent to Milan and to this conference, and whatever happens with regard to majority voting, we will not go beyond 1·4 per cent. without the consent of the House of Commons?

Mr. Stewart: I am saying categorically to my hon. Friend and the Committee that the own resources decision and the intergovernmental agreement were not on the agenda for Milan. They are free-standing in their present form, and under the Bill they will be established into the law of the Community. It would take a decision of the House of Commons, in conjunction with decisions of all other member states, to change those arrangements.

A number of these questions are more relevant to the next group of amendments, and it would therefore be better if I concentrated on those parts of the debate which touched on matters relating to the abatement and the document mentioned in the amendment.

Mr. Forth: Has my hon. Friend had the opportunity since we discussed this matter last week further to consider whether the Government are prepared to give the Committee an undertaking that the Government will not request, or indeed allow, any increase beyond the 1·4 per cent. VAT ceiling? Is he prepared to give us a simple reassurance, which would give many of us further thought about the matter? I ask for it in the context of his assurances, which we shall debate later, on budget discipline.

Mr. Stewart: I am sorry that my hon. Friend did not listen to the response that I made to my right hon. Friend the Member for Worthing (Mr. Higgins), which was that these are much more properly matters for the next group of amendments. If the Committee, as I hope, would like me to deal with the point raised on the abatement mechanism, I shall do so.

I can assure the hon. Member for Newham, South (Mr. Spearing) that although the VAT rate formula is expressed in terms of the VAT percentage, it covers the whole of the budget. Let us say that 21 per cent. of the budget is represented by the United Kingdom's VAT contribution and, for the sake of argument, that approximately 14 per cent. of the budget is represented by payments to the United Kingdom. That is a difference of 7 per cent. It is that figure of our contribution that is subject to the abatement, and it includes the revenue levies and duties. The only difference is that the levies and duties may be greater than the 20 to 21 per cent. which is known as the excess levies and duties.

The hon. Member for Newham, South also mentioned the rate of VAT. The 1 per cent. ceiling which currently applies is calculated on a notional base which is not related to the actual take of VAT in individual member states. It is on the harmonised base and leaves out of account whether a particular country has a zero rate, as we do with a number of our expenditures.

The hon. Gentleman asked me about the percentage and the 1·35 per cent. ceiling mentioned in the preliminary comments about next year's budget. The answer to that is that the average rate, if it were all paid at a uniform basis by all member states, is about 1·24 or 1·25 per cent. For the United Kingdom's rate to be below 1 per cent., at about 0·8 per cent., there has to be an increase in the amount paid by other member states, which would be about 1·35 per cent. That is the mathematical position on abatement in the coming year.

Mr. Spearing: I am grateful that the hon. Gentleman has confirmed, more or less, the figure that I have of 1·25 per cent., according to Agence Europe. Does he agree that his article in *The Times* was misleading, because the proper comparison would have been 1·24 with 0·8 per cent? We would not have to pay the 1·35 per cent., because that is the enhanced VAT rate arising out of the rebate. Therefore, the hon. Gentleman should have quoted 1·24 and not 1·35 per cent. in his article.

Mr. Stewart: It would have been misleading if, in the article, I had suggested that other member states were paying 1·24 or 1·25 per cent., when they were paying 1·35 per cent., which is the figure that I mentioned. As all other member states, with the exception of Germany, would be paying at that rate, it is proper to quote that figure as the financial effect.

Mr. Budgen: I am surprised to find my hon. Friend referring yet again to this proposed budget, because, I remind him, when I asked him about this last week in the money resolution debate and on Second Reading he said that he was not able to answer the question about the 1986 budget because

"it has not yet been published".—[*Official Report*, 25 June 1985; Vol. 81, c. 878.]

My hon. Friend said that he could not respond to my question. It was as though it were improper to refer to the draft 1986 budget. Can my hon. Friend help the House about this? Is he behaving like a latter-day European Dalton, or are we allowed to discuss the budget?

10.15 pm

Mr. Stewart: What we are allowed to discuss, Mr. Walker, is in your hands. What I was saying was in response to the questions put to me by the hon. Member for Newham, South about the comments which had been made by the Commission about its forthcoming preliminary draft budget for 1986. If my hon. Friend asks me questions about the preliminary draft budget, I am not yet able to answer them because the preliminary draft budget has not been published and is not available to the Government. What is available to the hon. Member for Newham, South, and what he has asked me about, are some figures put out by the Commission indicating what would be in the budget so far as it affected the contributions of different member states. I hope that what I have said helps elucidate the questions that the hon. Gentleman raised about that.

As for the general question of the allocated budget and the Commission document, perhaps I may be allowed to answer a number of questions asked by hon. Members, including Opposition Front Bench Members, about the nature of this document COM 85/36. It derives from article 3 of the own resources decision. In its first part it defines the gap and the abatement for the mechanism. In the second part it deals with the correction.

This is a Commission working document, which was approved by the Council. It is not a Council agreement. It is not an agreement between the member states of the Community, and as such it would be quite inappropriate to treat it as a treaty or as such an agreement of a kind which it is not.

The legal instrument involved is the own resources decision itself, and that requires national procedures for ratification. It also requires consultation with the European Parliament before it is put to member states. But under the ORD it is stated that the Commission is responsible for making the calculations in paragraph 3(5). The Commission then sets out in this document COM 85/36 the way in which it proposes to deal with the figures.

[Mr. Stewart]

Those terms are entirely acceptable to the United Kingdom. As the document explains, the allocated budget should be as much as possible of the expenditure of the Community as can be allocated between member states, and that basically excludes payments to third countries, of which the main element is foreign aid. My hon. Friend the Member for Holland with Boston (Mr. Body) raised this question. That is not changed under the proposals.

I was also asked what would be the position if the Commission wished to change these proposals. The Commission is charged under the own resources decision to implement the terms of that decision. If the Council, or if any member state, felt that the Commission was not implementing those terms, it would be open to it to take the Commission to court and to test before the court whether the Commission was properly carrying out the decision in the ORD which it was charged to do. That is the basis of the legal arrangement.

Mr. Taylor: This is the whole point of the debate. Where is there any reference in the own resources decision which would make it unlawful for the Commission or the Council of Ministers to change the definition of allocated expenditure and thereby to produce an even worse financial position for the United Kingdom? The basic point of the debate is whether there is anything in the own resources decision which would prevent the Commission from changing the basis of allocated expenditure.

Mr. Stewart: The Commission has undertaken to follow the Fontainebleau agreement in allocating as much as possible of the budget. That happens to be in the interests of the United Kingdom and not against them, as some of my hon. Friends seem to imagine.

I draw the Committee's attention to a part of the report of the Select Committee which the hon. Member for Newham, South did not quote. His Committee said:

"The Committee are also advised that the content of the Communication as presented is not such that it would be appropriate for inclusion in the Own Resources Decision itself since it is both discursive (in explaining the reasons for applying certain criteria in the form agreed) and illustrative (by way of theoretical examples of the calculations needed). The Committee also note that the Own Resources Decision is such that no supplementary instrument, of the type provided here, was in fact necessary. To that extent, this Communication may be seen as additional help to Member States in understanding the Decision rather than a matter of formal necessity."

I agree with the Select Committee.

Mr. George Robertson: The Minister seems to have glided over a point made repeatedly by hon. Members. His explanatory memorandum to this discursive document which he is now putting to one side is absolutely clear. It says that the paper is an internal Community document which sets out a line of procedure which the Commission intends to follow in a process which is its sole responsibility. The Minister has indicated that the hon. Member for Southend, East (Mr. Taylor) is suggesting a course which would be beneficial to the United Kingdom. What if the Commission made a decision which was detrimental to the United Kingdom? Does it have the power to do so?

Mr. Stewart: If the hon. Gentleman had been listening, he would have heard me explain that if the Council or any member state had reason to think that the Commission was not carrying out what it was charged to do under the own resources decision, that could be challenged in the courts.

The point about the document is that it is not an agreement between member states, nor an agreement of the Council. Therefore, it is not appropriate to include it as a treaty. It would be legally meaningless for us to include it in the Bill as a Community treaty. It would bind no one. It would not bind us, other member states or the Commission. Therefore, I call upon the Committee to reject the amendment.

Question put, That the amendment be made:—

The Committee divided: Ayes 75, Noes 267.

Division No. 253] **[10.21 pm**

AYES

Aitken, Jonathan
Archer, Rt Hon Peter
Atkinson, N. *(Tottenham)*
Barnett, Guy
Beckett, Mrs Margaret
Bennett, A. *(Dent'n & Red'sh)*
Blair, Anthony
Body, Richard
Boothroyd, Miss Betty
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Buchan, Norman
Budgen, Nick
Caborn, Richard
Campbell, Ian
Clark, Dr David *(S Shields)*
Clarke, Thomas
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Conlan, Bernard
Craigen, J. M.
Deakins, Eric
Dobson, Frank
Douglas, Dick
Dover, Den
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Evans, John *(St. Helens N)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Foster, Derek
Gilbert, Rt Hon Dr John
Golding, John
Gourlay, Harry
Hamilton, James *(M'well N)*
Hogg, N. *(C'nauld & Kilsyth)*
Hughes, Robert *(Aberdeen N)*
Janner, Hon Greville
Kaufman, Rt Hon Gerald
Lambie, David
Leighton, Ronald
McDonald, Dr Oonagh
McKelvey, William
McNamara, Kevin
McTaggart, Robert
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Maynard, Miss Joan
Michie, William
Mitchell, Austin *(G't Grimsby)*
Moate, Roger
O'Neill, Martin
Patchett, Terry
Pavitt, Laurie
Powell, Rt Hon J. E. *(S Down)*
Proctor, K. Harvey
Randall, Stuart
Rees, Rt Hon M. *(Leeds S)*
Roberts, Allan *(Bootle)*
Robertson, George
Shepherd, Richard *(Aldridge)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Snape, Peter
Spearing, Nigel
Stott, Roger
Taylor, Rt Hon John David
Taylor, Teddy *(S'end E)*
Thompson, J. *(Wansbeck)*
Tinn, James
Weetch, Ken
White, James
Winnick, David

Tellers for the Ayes:
Mr. John Maxton and
Mr. Frank Haynes.

NOES

Alexander, Richard
Alison, Rt Hon Michael
Alton, David
Amery, Rt Hon Julian
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Benyon, William
Best, Keith
Biffen, Rt Hon John
Blackburn, John
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Brandon-Bravo, Martin
Bright, Graham
Brooke, Hon Peter
Browne, John
Bruce, Malcolm
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Buck, Sir Antony
Burt, Alistair

Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Colvin, Michael
Coombs, Simon
Cope, John
Couchman, James
Cranborne, Viscount
Critchley, Julian
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Douglas-Hamilton, Lord J.
Dunn, Robert
Durant, Tony
Evennett, David
Eyre, Sir Reginald
Fallon, Michael
Forman, Nigel
Forsyth, Michael *(Stirling)*
Fowler, Rt Hon Norman
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodlad, Alastair
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Ground, Patrick
Grylls, Michael
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hannam, John
Harris, David
Harvey, Robert
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hayes, J.
Hayhoe, Rt Hon Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hickmet, Richard
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Hordern, Sir Peter
Howard, Michael
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irving, Charles
Jenkin, Rt Hon Patrick
Jones, Robert *(W Herts)*
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Kershaw, Sir Anthony
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Norman
Lang, Ian
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCurley, Mrs Anna
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
McNair-Wilson, P. *(New F'st)*
McQuarrie, Albert
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Mates, Michael
Maude, Hon Francis
Mawhinney, Dr Brian
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Meyer, Sir Anthony
Mills, Iain *(Meriden)*
Miscampbell, Norman
Mitchell, David *(NW Hants)*
Monro, Sir Hector
Montgomery, Sir Fergus
Morris, M. *(N'hampton, S)*
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C.
Mudd, David
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Normanton, Tom
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Ottaway, Richard
Page, Richard *(Herts SW)*
Parris, Matthew
Patten, Christopher *(Bath)*
Patten, J. *(Oxf W & Abdgn)*
Pawsey, James
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Price, Sir David
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Malcolm
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
St. John-Stevas, Rt Hon N.
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Soames, Hon Nicholas
Speed, Keith
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Stanbrook, Ivor
Steel, Rt Hon David
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Ian *(N Hertf'dshire)*
Stradling Thomas, J.
Sumberg, David
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Trippier, David
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wainwright, R.
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Rt Hon P. *(W'cester)*
Wallace, James
Waller, Gary
Walters, Dennis
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Whitney, Raymond
Wolfson, Mark
Wood, Timothy
Yeo, Tim

Tellers for the Noes:
Mr. Robert Boscawen and
Mr. Carol Mather.

Question accordingly negatived.

Mr. Higgins: I beg to move amendment No. 6, in page 1, line 9, after 'resources', insert

'so however that the maximum VAT rate paid by the United Kingdom shall not exceed 1 per cent. so long as the 1·4 per cent. maximum rate fixed by the decision remains in force'.

The Chairman of Ways and Means (Mr. Harold Walker): With this it will be convenient to take the following amendments: No. 7, in line 9, after 'resources', insert

'only until such time, after 31st December 1985, as the United Kingdom net budgeted contributions shall exceed £500 million for the subsequent year.'

No. 8, in line 9, after 'resources', insert

'and increasing the maximum rate of mobilisation of value-added tax own resources to 1·4 per cent. on the clear understanding that this maximum rate will not be increased to 1·6 per cent. for the next 10 years'.

New clause 12 — *Parliamentary control of further increases in value-added tax mobilisation*—

'For the avoidance of doubt, it is hereby declared that any further increase in the maximum rate of mobilisation of value-added tax own resources shall be subject to the consent of Parliament.'.

New clause 16 — *Further increases in maximum value-added tax rate*—

'This Act does not provide authority for Her Majesty's Government to make any binding commitment on a further increase of the value-added tax maximum rate to 1·6 per cent. until the national procedures referred to in the preamble to the Decision have been completed by Parliament.'.

Mr. Higgins: The Committee will appreciate that the amendment stems from the statement made in the explanatory memorandum that the maximum United Kingdom VAT rate is expected to remain 1 per cent. throughout the life of the 1·4 per cent. ceiling.

The crucial point is that the Explanatory and Financial Memorandum refers only to the fact that our contribution is expected to remain below 1 per cent. Moreover, the Explanatory and Financial Memorandum does not form part of the Bill. There may be an argument, therefore, for making the position clear in the measure.

A feature of the negotiations in the EEC — and, indeed, of the various documents that have been presented to the House—has been the unsatisfactory nature of the documentation. That seems even to have penetrated the printing of Bills here, for several copies that I have secured either have the Explanatory and Financial Memorandum but not the Bill or the Bill and not the Explanatory and Financial Memorandum. Instead of it being a two-page Bill, some versions of it run to four pages.

The unsatisfactory nature of the documentation was raised by the Select Committee on the Treasury and Civil Service. In particular, we drew attention to that in relation to the report on the Fontainebleau agreement. Many of the issues which we have discussed on Second Reading and in Committee stem from that agreement.

The Select Committee discovered the extraordinary fact that there appeared to be no definitive text of the Fontainebleau agreement. Indeed, we drew attention to the fact that the communiqué so-called apparently had been issued simply on the authority of the presidency, and it transpired from the evidence we took that some of the matters to which the presidency said the United Kingdom had agreed had not, in fact, been agreed to by the United Kingdom. We said that such conclusions represented a dubious and even dangerous practice.

I think I am right in saying that a definitive text of the Fontainebleau agreement has still not been issued to this House in the form of a White Paper, though the Select Committee recommended that it should be. May we be told whether such a text has or has not been so presented? In any event, we recommended that at future economic summits a text authorised by all the parties should be published. It will be interesting to see whether such a communiqué is published following the events which took place at Milan at the end of last week. The House is entitled to know in clear terms, published as a White Paper, what has or has not been agreed in any given context. The only printed text which exists of the Fontainebleau agreement is that which was appended to the evidence of the Select Committee.

The Government have repeated the point, a crucial one, time and again, on Second Reading and tonight, that the abatement arrangements have been entrenched in the Fontainebleau agreement, and the fact that we have agreed to the limit going up to 1·4 per cent. for the Community as a whole also embodies the abatement mechanism, which, we are told, is permanent.

Surprisingly, when I reminded myself of the contents of the Fontainebleau agreement, I found in paragraph 4 of the conclusions of the presidency the words:

"The correction formula foreseen in paragraph 2 (2nd indent) will be part of the decision to increase the VAT ceiling to 1·4 per cent., their durations being linked."

In other words, the abatement mechanism exists only so long as the 1·4 per cent. ceiling exists. Presumably, therefore, if it is subsequently raised to 1·6 per cent., the abatement mechanism will also be up for renegotiation. For confirmation of that one need only read the sentence in the Fontainebleau agreement—page 27 in the Select Committee's report—which says in the final two lines:

"The Council will re-examine the question as a whole and will take the appropriate decisions ex novo."

I am not sure what "ex novo" means. Perhaps it should have been de novo. That is typical of the bad print that we were given. It seems clear—I would like a categorical assurance from the Minister of State on this—that the abatement mechanism is not a permanent arrangement. Its duration depends upon the 1·4 per cent. ceiling continuing, and not being increased to 1·6 per cent. It is all very well for Ministers to say that such a change requires the consent of all member states and that the veto can be used. That is not the same as saying clearly that the abatement mechanism is permanent regardless of subsequent decisions on the percentage of VAT that is charged. We must be very clear about what will happen before we go along the route which the Government are outlining to us.

I should mention the 1·4 per cent. limit and the question of whether our contribution will be less than 1 per cent. It is worth reminding ourselves of the point of the 1 per cent. limit. When we joined the Community, it was clearly intended to be a limit. Indeed, it was clearly intended as a limit by those who drafted the original treaty. The limit was imposed on the amount of resources which it was thought the Community might reasonably have. We should note that it is effectively indexed, because the value of the VAT contribution and of customs and excise duties increases with changes in prices. Therefore, it was indexed, but it was regarded as a limit. The question to be asked about this Bill is whether there was a case for increasing the total own resources of the Community. In

that, we must have regard to the position of the United Kingdom and to the welfare of the entire Community. That will effectively mean a substantial increase in agricultural expenditure.

The so-called budgetary discipline guidelines say that the increase in agricultural expenditure will be less than the increase in the own resources base, but in absolute terms much more will be spent on agriculture. I have yet to hear a Minister explain why we should increase in absolute terms the amount of agricultural protection and subsidy in the Common Market when we have such vast surpluses in many items of agricultural production.

Mr. Marlow: I think my right hon. Friend said that the commitment is that the agriculture budget will not increase more quickly in percentage terms than Community own resources, not agricultural expenditure. It is important to differentiate between those two, because the budget may be decided upon, but expenditure can be a completely different thing.

Mr. Higgins: My hon. Friend is right to say that, and I shall mention that point in a moment. We all know that agricultural expenditure is not a pre-determined amount. That is one of the penalties that we incur for not having reformed the system of agricultural support in the Community. As was made clear the other night, it depends to some extent on the weather. The idea that this is a fixed amount, and that we know what our commitments will be, is not valid. Therefore, we are right to be concerned about the fact that the United Kingdom's contribution is only expected to be below the 1 per cent. ceiling. We cannot say, "It must not go beyond the 1 per cent. ceiling."

I hope that we can clarify some of those points. I wish to ask my hon. Friend the Minister of State about the explanatory memorandum to the Bill. The explanatory memorandum says:

"Meanwhile,"

—that is, until the whole procedure goes into operation on increasing the own resources limit—

"the United Kingdom's VAT contribution will be abated by 1,000 million European currency units in respect of our excess contributions in 1984. By the time this provision comes into force, the United Kingdom is likely to have paid more VAT in 1985 than, under the new decision, it is liable for. On this occasion, therefore, a cash transfer of the amount of the excess will be made to the United Kingdom."

I have two simple questions for the Minister. First, what guarantee have we that the cash refund will be made? We know that some of the previous promises of refunds have not been fulfilled. Secondly, since we are paying money that we should not be paying, shall we be paid interest on the money that we are paying?

10.45 pm

With regard to the actual increase in agricultural expenditure, I am puzzled by the comments made by the Economic Secretary in winding up the debate on Second Reading. He said:

"Three years ago, the increase in agricultural expenditure was 27 per cent., two years ago it was 16 per cent., last year it was 9 per cent. and next year it will be less than 3 per cent."—[*Official Report*, 25 June 1985; Vol. 81, c. 865.]

First, how does the Minister know, since it depends on the weather? Secondly, I have some difficulty with the arithmetic. We are being asked to raise the VAT ceiling for the Community as a whole by 1·4 per cent. We are told that our contribution goes up by a maximum of only 1 per cent. That is a substantial increase. Even though we are told that agricultural spending is going up by less than that increase, it will be a substantial extra expenditure on agriculture. We are told that the total agricultural expenditure will go down from just over two-thirds to just under two-thirds of the total Community budget. I do not understand how that figure, the increase in own resources, of which near enough two-thirds will be on agricultural expenditure, is to be reconciled with the comparatively modest but totally unjustified increase of 9 per cent. last year and 3 per cent. next year. I hope that the Minister will be able to reconcile those two sets of figures.

We seem to have a real problem with the relationship between the figures. Maybe the answer is that we are already this year and the year before last spending more than the 1 per cent. ceiling, because we well know that under the other devices which have been used to bail out the Community we have been spending over the 1 per cent. If that is so, the increases in agricultural spending are being calculated on a base which is far too high, because they are already in excess of the 1 per cent. limit.

We have real reason to worry about the percentage that we are contributing, and also about the amount that the Community as a whole is contributing, because it is a misallocation of resources. They and we would be much better spending the money on something other than agriculture.

Much play was made on Second Reading about the fact that we make a contribution of, say, £252 million under the extra topping up arrangement, but we get much of it back. That may be so, but in terms of public expenditure it is the gross—not the net—figure which is relevant in that context. All those matters give us considerable cause for concern, and I hope that the Minister will be able to satisfy us on them, so that we shall be able to decide how to proceed.

Mr. Richard Wainwright (Colne Valley): The right hon. Member for Worthing (Mr. Higgins) was right, as he almost always is, to stress the imperfections of the budgetary discipline arrangements and the appalling waste, which I am afraid will for a time continue, although to a reduced degree, of Community resources devoted to agriculture. He did not succeed in making me understand how the amendment would deal with those two serious flaws.

I find that, uncharacteristically, the right hon. Gentleman seems to be obsessed with the 1 per cent. and also with the possibility of genuine and complete permanence. The 1 per cent. is merely the most likely maximum that British contributions could reach under these arrangements and is likely to be exceeded only if, by some miracle, this country suddenly received almost double its present share of the social and regional fund allocations, and surely that would be welcome. We should pay more than 1 per cent. only if the major part of the present reason for giving us the abatement miraculously and splendidly disappeared. I do not understand what form of leverage on the Community the proponents of the amendment believe will be exerted if it were accepted.

Mr. Higgins: The hon. Gentleman will be aware that we are debating more than one amendment. As we discovered earlier, it is not clear whether the abatement arrangements can be changed without our going along with them.

Mr. Wainwright: That is as may be. I shall listen carefully to those hon. Members who advance arguments on the other amendments. On the point of permanence, I cannot believe that the right hon. Gentleman, who is the soul of rationality in public affairs, believes that anything can be set in permanent concrete for decades to come. As he is well aware, that is not the nature of the world.

Mr. Budgen: That is why we are talking about a permanent deal.

Mr. Wainwright: We talk about people being permanent secretaries. We do not suppose that they are immortal. We talk about permanent building societies. They disappear like leaves in autumn. They are only permanent in contrast to terminating building societies or to secretaries who might be deposed by losing an election or something like that. Permanence is a relative term. The use of the word "permanent" is justified in this context.

Mr. Budgen: Rather in the way that Sir Harold Wilson talked about election promises.

Mr. Wainwright: I fail to see the relevance, as I am afraid I often do, of the hon. Gentleman's intervention. Wolverhamptonspeak is so completely different from Yorkshirespeak that we find it difficult to communicate.

I cannot recommend that my right hon. and hon. Friends support——

Mr. Leighton: Where are they?

Mr. Wainwright: Come now——

Mr. Roger Moate (Faversham): Will the hon. Gentleman give way?

Mr. Wainwright: Not immediately. I have just been asked a question and although it came from a sedentary position I try to answer all questions addressed to me as far as the Chair will allow.

Of course, my right hon. and hon. Friends, like members of the larger parties in the House, will appear when they are summoned. There is no doubt about that.

Mr. Moate: I feared that the hon. Gentleman was going to sit down without justifying some of his earlier remarks. I do not want to misquote him, but I think he said that the common agricultural policy was wasteful and grossly inefficient. How does his party hope to cure that gross inefficiency and waste if all the leverage is removed and every time a proposal such as this comes along his party supports the putting of more money into the Community? How will he ever reform it?

Mr. Wainwright: Were it not for the proper strictness of the Chair, I should have to start my speech all over again. The amendment does not provide any additional leverage. The CAP is in desperate need of reform, it is extremely wasteful, but nothing in the speech of the right hon. Member for Worthing suggested that amendment No. 6 will provide the leverage that we all want. As I said on Second Reading, there is an urgent need for tighter budgetary discipline, but we on these Benches cannot see how the proposals from what have been described as "the old lags" by one from their ranks will alter things.

I challenge Conservative Members to persuade us that their proposals will increase the leverage. We are, as always, open to persuasion. We do not enter the Chamber with our minds already made up.

11 pm

Mr. Richard Shepherd (Aldridge-Brownhills): We have all scoured the Order Paper to see what the Liberals propose to achieve budgetary discipline, and how they would reduce the burden on British consumers in the form of food prices. The tone and substance of the speech of the hon. Member for Colne Valley (Mr. Wainwright) was that he does not care very much for the increase borne by his constituents.

Some hon. Members are trying to find out how to curb an extraordinary excess which gives rise to the greatest tax borne by the least advantaged. With the exception of the hon. Member for Colne Valley, the alliance has deserted the Chamber, although it might be summoned from the deep, as was Hotspur's spirit, to rush in to vote. In what way will the alliance restrict this extraordinary expenditure by way of food taxes? The hon. Gentleman is a member of the Treasury and Civil Service Select Committee and knows that his constituents pay more tax in food tax than in any other.

The Liberal party recommends greater expenditure. Many of us have suffered the generosity of the hon. Member for Inverness, Nairn and Lochaber (Sir. R. Johnston), who advocates yet more expenditure. We are trying to find a mechanism by which to control Community expenditure, and to divert it from this all-consuming elephant, the CAP. The Liberal party has suggested nothing. Indeed, it found a defect in amendment No. 6. Moreover, the criticism was not constructive. We expect the hon. Member for Colne Valley to identify means of constraining the burden on the least advantaged. He knows that the central issue of public debate at the moment is how to release to people their hard-earned money so that they can pursue their own interests. Some of us have identified that that can be done by cutting the cost of food.

We know that food taxes are the most regressive form in which to grind down people and that the way in which we can immediately lift up their living standard, and give them the things that the Conservative party has struggled to identify for the past six years, is to reduce that burden of taxation. What deeply disappoints some of us is that we have seen the taxes imposed upon the working people driven forward by the monstrous, covert hidden food tax. We suffered for four years a Minister of Agriculture, Fisheries and Food who drove on that engine of expenditure, reducing and grinding year after year the living standard of our people. That is what has been done. It has been covert and secret. To this day we cannot identify from the Treasury, the Ministry of Agriculture, Fisheries and Food or the Government what is the tax bill borne by ordinary families, in paying their food bills every year.

Consumption of standard commodities has reduced. People say that it is a change of taste, and that the diet that they have suffered for 50 or 60 years is no longer suitable. People do not eat butter so much. It is not possible or sanely economical to buy it. The tax on frozen beef from Australia is about £2 or £3 a pound. That is cut out. People say that our demand for frozen beef from the Commonwealth has diminished, but adduce that as if it were a remarkable contention that the provision of foods from other countries is not viable any more. Of course, it is viable.

What remedy do the Opposition, the Liberal and Social Democratic parties propose to restrain that great grinding down of the standard of living? We want to know for when those great issues are debated across the country in due course. The misdirection of our scarce economic resources from the productive enterprises that made us a rich, prosperous country, able to sustain the social welfare and benefits that we believe in, to a common agricultural policy in a covert and secretive way, produces the greatest tax bill that is borne by the average member of our society.

It may not matter for many hon. Members who are on high incomes if their bill is £5 or £6 a week more for their family than it might be otherwise. But it is no surprise to many of us in the Conservative party that that has a debilitating and destroying effect on many of the Government's objectives. We can achieve an economic regeneration if we can direct resources away from that wasteful abuse into those areas that most require them.

The Liberal party had no response to the contention of my right hon. Friend the Member for Worthing (Mr. Higgins) on this group of amendments, when he sought what was only a mechanism for trying to rein back the way in which money is expended. We are deeply concerned that the formula that we have arrived at says that resources directed towards agriculture should not grow any faster than the resources available to the Community. That is a monstrous proposition, which has horrified many people. What it actually says is, "We shall consume yet more on agriculture and in so doing we shall tax people yet more to achieve that objective." All of us will end up consuming one carrot a day, and still pay thousands of millions of pounds to achieve that objective. That is against the interests of this country.

Each one of the parties of the House, year by year, has called out—I know it from my hon. Friends, whether in Centre Forward or any other grouping, and Opposition Members — saying, "Only £1 billion there or half a billion there." We are looking at the misdirection of the economic resources available to the Community, of sums much in excess of those, yet there is no coherent sustained attack on a position adopted by a few in Government, that all that is an acceptable price to pay for appearing to be good Europeans. Having paid the price, sometimes one may make reasonable assessments that it is worth making a payment here or a payment there because the quid pro quo is worth it. Having launched in the House last week the Bill that we are now discussing, the Prime Minister has had the most serious rebuffal on her misunderstanding and that of the Foreign Office of what is the nature of the Community. My hon. Friend the Member for Banbury (Mr. Baldry) has eloquently said that the House and the Government misunderstand the intent of the one coherent policy of the Community, which is on food prices. That goes against the historic continuity that we have sought across parties, and our ability to generate resources for our industries. By European standards we were a low wage economy, but the quid pro quo within our economy was that we were a cheap food economy. Our influence in the world was in part dependent on that, as the hon. Member for Colne Valley well knows.

We were the largest consumer of Commonwealth agricultural produce in the world. That gave us influence, which reached out from this little city of London to the corners of the world. We were the major purchaser of Commonwealth commodities from the Caribbean and the less advantaged areas, such as Pakistan. We also supported our friendships and policies in Australia, New Zealand, Canada and the United States by being the most substantial importer of food in the world. It was in our interests to be such. We bought commodities in which those countries had a natural advantage because they could produce them cheaper than we could. It was self evident to most of our citizens that from the abolition of the Corn Laws onwards we were to have cheap food. The price and benefits that arose from them far outweighed the disadvantage of not supporting or over-supporting an agricultural interest.

During the post war years it was recognised that there had to be balance because we were all too aware of the effects of war. We had——

The Second Deputy Chairman (Sir Paul Dean): Order. I am beginning to find difficulty in relating the hon. Gentleman's remarks to the amendment.

Mr. Shepherd: I am sorry if I did not carry you with me on my exposition, Sir Paul. I was seeking to restrain the agricultural element in the Community's budget. I thought that my right hon. Friend the Member for Worthing was proposing to do that in his amendment. I was supporting that aim by giving both the reasons why and ways in which we came to that conclusion, and by pointing out the commonwealth of interest across the House in doing that. I was highlighting that aim by placing the matter in a historical context. I hope that that was a reasonable way to approach the debate, but if it was not, I defer to your judgment.

In the post-war period we came to realise through war why it was necessary to give an advance to agriculture. We are prepared to do that. No party has been or is more committed to the agricultural interest than the Conservative party. There is no question about that. We are saying that it is no longer in the interest of British farmers or of British consumers to continue to direct vast resources to the CAP. The hon. Member for Colne Valley had no mechanism to control the extraordinary expenditure on agriculture. He did not even refer to the taxes borne by his constituents. It was as if that were no longer a consequence or consideration, and the Liberal party no longer cared about the level of taxes borne by its constituents. The hon. Gentleman said nothing about the level of taxation borne by his poorest constituents through the food mechanism.

Whatever the intent behind the speech of my right hon. Friend the Member for Worthing, I understood from it that he shared my concern about the burden borne by the poorest. He recognised that we could generate resources for the regeneration of Britain and the investments that we seek to the advantage of the average man in the street. We look, therefore, to the sole representative of the Liberal party, although we know that they can all be summoned up like Hotspur's dragons from the deep, for a mechanism to ensure that that expenditure does not go out of bounds. That was not forthcoming.

I urge the House to give careful consideration to the detailed points that have been raised and to the skilful way in which my right hon. Friend the Member for Worthing adduced the arguments. Most important of all, those arguments bear consideration by the Government because they will be making the decision. They were worthy points, but they have not so far been answered in any of our discussions on the European Community over many years. I urge the Government to take them on board.

Mr. Austin Mitchell: My amendment No. 9 would prevent the 1·4 per cent. own resources ceiling from being increased to 1·6 per cent. for the next 10 years and would thus achieve the objective that the hon. Member for Aldridge-Brownhills (Mr. Shepherd) set out in an intervention which grew into a brilliant speech with which I thoroughly agreed.

My amendment seeks to prevent the constant escalation of expenditure on the common agricultural policy to which the hon. Gentleman referred. As the hon. Gentleman pointed out, it is extraordinary that the Liberal party—the party of Cobden, Bright, the cheap loaf and Lloyd George's campaign against Chamberlain's tariff reforms before the first world war—is now the biggest defender of the agricultural protection society, the CAP. The Liberal party, which is enthusiastically pro-European from a naively idealistic point of view seems as determined to ignore the warts of Europe as it is to ignore those of the SDP with which it is in alliance. In the case of Europe, that blind eye is a major fault because Europe is 75 per cent. warts in that 75 per cent. of its expenditure goes on the CAP. That is a crippling burden on every family in this country and it is extraordinary that the party of the cheap loaf and free trade should in its naive idealism be the chief defender of such a burden.

My amendment seeks to limit that crippling burden. The Government should never have agreed to the increase in the VAT ceiling from 1 per cent. to 1·4 per cent. The right to veto that increase was the one weapon that we could use to prevent the endless escalation of expenditure and to force reform of the common agricultural policy. Reform is drastically needed because paying high prices to farmers so that they produce more while the consumer buys less and the resulting food mountains have to be financed by the taxpayer is not just inefficient and economic folly. It is an obscenity in a world in which 30 people die of hunger every minute of every day. It is obscene, too, that an organisation dedicated to the improvement of Europe spends three quarters of its budget on supporting not farmers but agri-business while it spends practically nothing on Europe's main problem, unemployment. The Liberals' devoted support of such a policy casts doubt not just on their economic credibility but on their political principles. It is more important, however, to limit this expenditure than to castigate the Liberal party.

Our opportunity to force economic stringency on Europe and thus reform of the common agricultural policy lay in our right to veto any increase. That was our one strength. If we are not prepared to use that veto there is no chance of limiting expenditure on the CAP because agriculture is politically in a far stronger position on the Continent, as the German veto on grain prices has shown. Even if agricultural expenditure increases with production no faster than the Community's own resources, it will still be growing when it is already far too large. In any case, the limits that are imposed cannot be exceeded in any year by any amount if the majority feels—as it will—that exceptional circumstances apply.

We have given up a very real sanction in return for mention of promises that predictably will be worthless. We should have used that sanction and refused to increase. If in this legislation we accept the increase to 1·4 per cent., we must now use the next resting place—a refusal to agree to a further increase to 1·6 per cent.—unless the reforms that should have accompanied the first increase are forthcoming.

11.15 pm

The Prime Minister promised that there would be no increase in the own resources ceiling without binding guarantees of effective budgetary discipline. We are still to get those. Therefore, the fight must now continue to get them on the 1·6 per cent. ceiling, the Prime Minister and the Government having been conned by the lure of cash rebates that we should have received anyway. It was the duty of the EEC countries to give us that cash, and it would have been ruinous for the United Kingdom had we not got it. The Community now expects us to gibber in gratitude and to say that we accept this increase in the ceiling because of rebates that we should have got as of right. That is an inadequate justification for the increase.

The argument for my amendment is quite simple. It prevents us throwing good money after bad. It prevents us moving on to the situation described by the right hon. Member for Worthing (Mr. Higgins). Although the Government have not admitted it, the increase to 1·6 per cent. is closely linked with the permanency of our own rebate because the durations are linked by the agreement. That rebate goes on as long as the 1·4 per cent. ceiling lasts. As soon as there is an increase to 1·6 per cent., our rebate is up for grabs and will have to be renegotiated from scratch.

The 1·6 per cent. ceiling is very much in the offing, because the decision in the White Paper specifies that

"the maximum rate may be increased to 1·6 per cent. on 1 January 1988 by unanimous decision of the Council and after agreement has been given in accordance with national procedures".

The Government do not have to agree with that, but why is it written in that precise form unless there is an understanding that "may be" means "will be"? We shall then be in exactly the same negotiating position as we were when there was an increase from 1 per cent. to 1·4 per cent. We shall be conned in the same way by the promise of making our rebate "permanent" if we agree to the 1·6 per cent. ceiling. We shall be lured by the same tactics. In an attempt to avoid that, my amendment requires the 1·4 per cent. ceiling to be maintained for 10 years.

The Vice-President of the Commission, Mr. Christophersen, has already pointed out that the Commission considers that the new own-resources ceiling of 1·4 per cent. will suffice for 1986 and 1987, but the question of increasing it should start to be considered now. The procedures are already under way to increase it. The United Kingdom should oppose that increase, and my amendment would prohibit it for 10 years otherwise the 1·4 per cent. increase would be invalid.

For the same reasons as the Government should have opposed the increase from 1 per cent., we must oppose the increase from 1·4 per cent., and this amendment requires us to do that.

Mr. Michael Fallon (Darlington): I have tabled new clause 12 for several reasons. The first is that I want to concentrate the mind of the Committee on the next increase, which is in mobilisation. Secondly, I want to explore the nature of the Government's position on the next increase. Thirdly, I want to clarify the procedure by which such an increase is likely to be considered and submitted for approval by the House.

The next increase is relevant to our debate, because it is contained in the decision of 7 May to which the Bill give effect. There is a real danger that by endorsing the statement to that effect in the preamble, the Committee

may be committing the House to the tacit endorsement of a second increase. Therefore, we need to be absolutely clear as to the nature of that second increase, and the pressure that will inevitably cause it.

It is also important to emphasise, particularly having listened to my right hon. Friend the Member for Worthing (Mr. Higgins), that the pressure to raise the second, heightened ceiling arises not only from agricultural spending, and not only in the context of enlargement. It is true that the figure of the additional 0·2 per cent. appears first in the Commission's Green Paper on financing the Community as a cost of enlargement, but quite important trends need to be considered.

As the resources are calculated in the medium to long term, it seems that the increase being posited in the budget is not entirely the same as the increase in VAT resources required to finance that budget. We already know of a diminution in the other sources of revenue—the customs duties that are being liberalised gradually under the existing GATT round, and are due to be further liberalised under the forthcoming GATT round, and the real possibility that agricultural levies will diminish over future years. As those sources diminish, and the demands of the budget increase, there will be a faster increase in the VAT revenue call up and the actual increase in the budget itself.

The Commission predicts in paragraph 3 of its Green Paper that the tariff dismantling and the fall in levies consequent on CAP reform could mean, at a timescale of 10 to 15 years, a 0·2 per cent. increase in the VAT call-up rate merely to maintain the real value of available own resources. That was drafted before enlargement and any further pressure on agricultural spending. The document proposed a radical leap in resources, not simply from 1·4 to 1·6 per cent., but to 2 per cent. This would:

"give the Community secure financing for long enough to cover the whole transitional period of enlargement to include Spain and Portugal."

From that, I deduce two things. First, if it is 2 per cent. rather than 1·6 per cent. that the Commission suggests would be adequate to cover the transitional period of enlargement, then the Commission will soon be back to up the ceiling from 1·6 to 2 per cent. Secondly, I deduce that that 2 per cent., framed as it is in the Green Paper, is only to finance the transitional period of enlargement. Therefore, it is not likely to be adequate to finance the other future developments that are being considered and the policies that are being proposed, let alone the ever expanding budget, increasing in the period 1978-83 by some 5 to 6 per cent. in real terms every year.

Those further pressures on spending — the second reason why the VAT ceiling will inexorably rise—are set out in the Green Paper on future financing, and have been alluded to by my right hon. Friend the Member for Worthing, although I think that he understates the case. The intensification of the Community's energy and industrial strategy, the expansion of Community expenditure on research and development and innovation projects, more systematic and extensive use of Community finance structural expenditure on the regional and social funds, the development of other structural expenditure, such as FEOGA guidance for fisheries in the Mediterranean programmes, the development of substantial Community-financed transport infrastructure programme, and the achievement in 10 years of the Community development aid programme that equals one thousandth of the Community's GDP are all projects requiring money.

I make no comment on the merits or otherwise of any of those proposed developments of Community activity, but I stress that there are serious upward pressures on the expenditure side of the budget quite outside the costs of enlargement and quite outside the seemingly uncheckable rise in agricultural spending.

It is also important to emphasise how this first hike in the VAT ceiling and the second hike in the VAT ceiling is not likely to be the final stage in this operation but will clearly be one of a series of increases.

Mr. Budgen: Unless my hon. Friend votes against it. I do not know why he did not vote against the Bill on Second Reading.

Mr. Fallon: If the Committee does not accept that latter point, hon. Members have only to refer to the covering letter to the second Commission Green Paper on future financing in which President Thorn of the Commission informs Mr. Cheysson, President of the Council:

"I would again point out that the Commission has never proposed increaing the own resources ceiling to 1·4 per cent. of the VAT basis of assessment. In the proposal made by the Commission in May 1983, this rate of 1·4 per cent. represented only the end of a first stage of operation of a new system of own resources with no ceiling."

The second reason why I tabled the new clause is that I think that it is important to clarify a little further the Government's position on a second increase in the ceiling. That position might at first sight appear obvious and clear cut. I believe that my hon. Friend will emphasise again that the Government are not committed to any increase and are not party to any such decision. We have been told that not only are the Government not committed to any increase but that there has not even been a statement of intent for which the Government have indicated their support. But the Government have signed a document containing that statement—the decision which the Bill implements—and the Committee must ask itself, if that statement is not part of the decision, why was it included in the preamble to the decision.

It seems to me that it was included because, although it was not technically part of the decision, it was at least part of the deal struck with our Community partners. Therefore, the Committee is entitled to draw out my hon. Friend a little further on the nature of that understanding and of that commitment.

My third and final reason for tabling the new clause is the need to clarify the procedure by which a second increase in the ceiling may take place. We have already been assured that such an increase will need to be approved by Parliament. On Second Reading, my right hon. and learned Friend the Foreign Secretary said that the existing arrangements

"can be changed only by a unanimous decision of the member states and with agreement of all their parliaments."—[*Official Report*, 25 June 1985, Vol. 81, c. 800.]

That is not what the preamble says, and I do not believe that it is the constitutional position. The preamble says

"after agreement has been given in accordance with national procedures."

It is my understanding that legally the House is not necessarily required to give its consent in this form to such an increase.

[Mr. Fallon]

Whatever the constitutional position, it is wholly appropriate that the House should at least make it explicit that its own consent will be required for a second increase, and the sort of explicit understanding that I have in mind occurred during the passage of the European Assembly Elections Act 1978. Although it might have been constitutionally implicit that any further increase of the powers of the European Parliament would require approval from both Houses of Parliament, this House felt the need to state yet again in the Act itself that its own consent was required for such a change. It would be right for the House to make such an understanding explicit now because, as the hon. Member for Great Grimsby (Mr. Mitchell) has indicated, we will be dealing with these matters very soon. If ratification of a formal decision can take up to two years, and we are now dealing with a demand for an increase in mobilisation that will take effect from 1 January 1988, I expect the House to be considering a further increase in the rate of mobilisation either in the latter part of next year or in the early part of 1987.

11.30 pm

Mr. Marlow: We are all indebted to my hon. Friend the Member for Aldridge-Brownhills (Mr. Shepherd) for his convincing and compelling speech. It was an important speech. We all realise that what we are talking about today in terms of expenditure—the VAT limit—is really a small part of the cost that the country has to bear as a result of the common agricultural policy. In drawing the attention of the Committee to the real food tax which is borne by the poorest members of our society, my hon. Friend did a signal service which we should remember for a long time.

I have in my name amendment No. 7; I sort of have that amendment in my name because my intention when I put it down was to include the word "not", which is not there. I shall speak to it as though the word "not" was included. The intention of the amendment is to limit the amount of our net contribution, even within the new VAT formula. Briefly, there are four reasons why I want to control the level of our net contribution.

First, and very really, I want to support the Prime Minister. At the weekend in Milan she had an unpleasant and unfortunate experience. She was confronted for the first time by full frontal federalism. My right hon. Friend the Prime Minister said that there are changes and reforms which she wants to see achieved and that there is no need for a conference to achieve them. That is right. We all want reforms such as freeing the internal market so that we have one large market without non-tariff barriers. Sadly, the reforms which we are now being offered are more of a federalist nature.

The intention of the conference, and of those who want the conference, is to bring forward more federalist policies and in this way to lure Europe, including the United Kingdom, into a more federal united states of Europe. If the message from the Committee is loud and clear that it is concerned about the level of resources that we are spending on the Community at the moment and that it will not contemplate an increase in the already over-bloated amount that we have agreed to, there will be a realisation by the federalists of Europe that their objective is less likely to be achieved.

Secondly, we are all in this country desperately concerned about the ballooning, mushrooming and ever-increasing levels of public expenditure. I see my right hon. Friend the Secretary of State for Defence climbing the steps at the back of the Chamber. He will know that in his area of activity each year the real levels of expenditure increase, even to buy the same amount of equipment and manpower. The same is true of the Health Service and of social security. Yet the fastest growing expenditure that the country is faced with is our gross contribution to the European Community. Some hon. Members have said that they do not care about the gross contribution and that what they care about is the net contribution. If we do a calculation, gross contribution less net contribution is the cost of Community policy within the United Kingdom. Over the last three years the cost of those policies has increased by 50 per cent. That is much greater than the cost of any other policy. If all our other budgets and policies had increased at that rate, this country would be severely bankrupt. It is important to control gross Community expenditure.

Thirdly, we are told the cost to Britain of the latest intergovernmental agreement is £240 million, but that it does not really matter because we shall get back £120 million in policies in the United Kingdom. All that really means is that we are getting the same policies but that they will cost us £120 million more. That is public money that is being spent. There is no benefit in that. It is just increased extravagance and increased costs.

We shall get back two thirds of the other £120 million through the rebate mechanism. We are grateful for that, but it still means that we have a net contribution of £40 million. My colleagues have said, "Only £40 million." Only £40 million for what? It is our net contribution. In the Community as a whole, that is a zero sum. We are paying in £40 million; some one else is taking it out. All these "£40 millions" add up. That £40 million means 75p per head of population. To a certain extent, money is like matter—it cannot be created or destroyed.

My 14-year-old daughter, Alice, gets 75p a week pocket money. The other day, I said, "Alice, dear, the Government have negotiated an intergovernmental agreement. It will cost you 75p and you will get nothing for it. I am awfully sorry, but this week you will have to do without your pocket money." I tried, but it did not work. That is, however, a good point.

There is a fourth reason why we should keep this level of expenditure under control—to demonstrate that we are good Europeans. The common agricultural policy does no one any good. It does the consumers and the farmers no good. It does Europe a great deal of harm. It creates conflict between ourselves and the United States. The only way in which we shall overcome the problems of expenditure on CAP is by imposing a ceiling on its expenditure. We have heard about the likely effects of the weather on the financial mechanism. We realise that this mechanism is not watertight and that it will not work. The only way in which we can overcome the problems of gross extravagance in CAP—given the continuing growth in European surpluses, and the likelihood of even greater surpluses in future years—is by imposing a ceiling on that expenditure to force Europe to redevise its agricultural policy in a way that will suit Europe, the world, our farmers and our consumers.

Mr. Teddy Taylor: I think that we all know the arguments on these important new clauses and amendments. Therefore, to avoid wasting time, I shall ask two questions. In trying to get something positive out of this matter, which concerns us all, would the Government at least be willing to say that they will not welcome any proposal to increase further the 1·2 per cent. VAT limit? Will they give an assurance that they will not initiate such a proposal? If the Government answered "Yes", we would feel that this long debate had been, to some extent, worth while.

Mr. Budgen: I join my hon. Friend the Member for Southend, East (Mr. Taylor) in his practical suggestion. I should like to add another practical suggestion. The Commission says that the proposed budget will cause member states to apply a rate of 1·35 per cent. in 1986. During the Second Reading debate, the right hon. Member for Strangford (Mr. Taylor) pointed out that the proposal for 1986 was, first, subject to the uncertain demands that this demand-led expenditure was likely to make—with the usual arguments about the uncertainties of the weather, world prices, and so on—and, more importantly, based on an assumption about the value of the dollar which was highly speculative and probably extremely optimistic.

If the Commission is already proposing expenditure that demands a take-off from VAT of 1·35 per cent., I hope that my hon. Friend agrees that that does not leave a sufficient margin for error in 1986. No doubt the Treasury Bench genuinely thinks that it has done jolly well because once again it has squashed a small, unrepresentative group of troublemakers. The Government are very pleased that the Labour party is no longer in business as an Opposition and that they have demonstrated how very useful it is to have a majority of more than 140 so that they can walk all over the House of Commons. That may be so, and very useful it must be to the Government and their Whips. But, my goodness, if they come back to the House in 1986 and say, "Very sorry, we made a bit of a mistake —we rather underestimated the demands that the CAP would make on the EC budget, so do you think you could agree to a third IGA?", I think that even this House, dominated so usefully by a vast Tory majority, may feel it necessary to complain a little.

Wearing my Whip's tie, I wish to congratulate my hon. Friends on the highly effective way in which they have brought to bear the greatest voting machine that modern politics has ever seen. But even that voting machine might find it a little difficult to swallow a third IGA in 1986. Even my hon. Friend the Member for Darlington (Mr. Fallon) might vote against that. I hope that a friendly warning is given to the Commission to the effect that, if it is contemplating a budget based on 1·35 per cent., it is not leaving itself a sufficient margin of error.

Mr. Forth: I wish to bring the Committee back to a matter of detail which was glossed over during the Second Reading debate, and on which I have not yet had an answer from any Minister. It concerns something that is crucial to the entire operation that we are discussing — the budgetary discipline mechanism.

We are being offered a mechanism which is specified in a document which purports to give us a facility to control Community expenditure in a way in which it has not been controlled previously. That mechanism relies on a fairly simple looking procedure which, on the face of it, one might expect to show results which have not prevailed in the past.

The very simple operation is that at the beginning of each year, within the budgetary procedures, a reference framework should be fixed which involves the maximum level of expenditure for the Community. Hon. Members will be reassured by the fact that a reference framework will be fixed at the beginning of each year and that the budget will be related to it. That provision is contained in article 1 of the budgetary discipline mechanism.

However, I suspect that hon. Members will be slightly less reassured by the fact that article 2 states:

"Account shall be taken of exceptional circumstances, in particular in connection with enlargement."

This is neither the time nor the place to go into detail about the possible additional expenditure that enlargement will cost the community, but it must give some of my colleagues slight cause for reservation when they see mention of exceptional circumstances. Having had the encouraging sign of setting a reference framework, the mere mention of exceptional circumstances must give pause for thought.

Matters become a great deal worse when reading article 5, which contains the now notorious phrase that over the following two financial years

"barring aberrant developments agricultural expenditure is brought back within the limits imposed by this guideline."

11.45 pm

For the benefit of the Committee I shall repeat a question which I have asked Ministers on several occasions and which has never been answered satisfactorily, although the Economic Secretary took it up in part on Second Reading when he generously conceded that we could not expect agricultural expenditure to be controlled when we cannot predict the weather. That may be a statement of truth, but, in the context of a so-called budgetary discipline mechanism, in which we solemnly set out at the beginning of the year a framework for expenditure, it causes me concern when my hon. Friend says, "We do not know what the weather will be like." He has touched on a real and fundamental truth. The harvest that is forthcoming each year is the main determinate of the level of Community expenditure. Reference frameworks have no relevance or power in setting budgetary discipline. On the admission of my hon. Friend, any such mechanism is subject entirely to the vagaries of the weather and the harvest.

That would all be bad enough, but in article 6 the game is given away entirely. The great budget discipline mechanism, which is based on a reference framework arrived at at the beginning of the financial year, is subject to the following provision in article 6:

"At the request of a member of the Council or the Commission, the Council acting by the majority referred to in article 1(2), may amend the reference framework."

Having started the year with a reference framework which is supposed to give us budgetary discipline, we have the facility that at any time, by a majority, we can change the reference framework and thereby blow the entire budgetary mechanism out of the water.

The Committee will be well served if during his responses my right hon. Friend answer my questions, which will reassure us, I hope, that the budgetary mechanism, on which so much rests and on which the Government have rested their entire case for giving greater

[Mr. Forth]

resources to the Community, is one in which we can have confidence. Given the loopholes and flaws to which I have referred, we must have answers before we can be so satisfied and give our support to any increase in the VAT ceiling.

Mr. George Robertson: This has been a brief, interesting and concentrated debate in which the Minister has been asked some embarrassing questions. I know that the Committee will be grateful that the Government appear to have lost some of the wild enthusiasm which they showed for the Bill last week and that the House of Commons may have some more time carefully to think about the issues.

The right hon. Member for Worthing (Mr. Higgins), who initiated the debate, did the Committee a considerable service by setting a sober and sensible framework for the debate. He did so by reminding us of the terms of the Fontainebleau agreement. If the Select Committee on the Treasury and Civil Service did nothing else—in fact, it has done an enormous service to the House of Commons—it provided us with our only text of the agreement. As the right hon. Gentleman has said, the agreement ties the much vaunted and much triumphed abatement to the ceiling of 1·4 per cent. The Committee has properly concentrated its attention on the speed with which the Community will reach the ceiling of 1·4 per cent., on which are based all the promises that the Economic Secretary to the Treasury made in *The Times* last week on the permanence of the arrangement and the claim that the Fontainebleau agreement has changed the rules for good.

In reality, the Fontainebleau agreement has changed the rules until the 1·4 per cent. ceiling is reached, and "for good", in the language of the archaeologist who is the Economic Secretary, will not be very long at all.

I found, in my researching, an interview that the Foreign Secretary had with the head of European television services in Bonn in the Federal Republic of Germany on 18 January. The right hon. and learned Gentleman said:

> "I found it one of the most encouraging things in the last few months that sitting round the Community table, it is more like sitting round a cabinet table in a single national government with people genuinely searching for a common answer to difficult questions."

In the weekend that has just passed it is conceivable that the right hon. and learned Gentleman is telling us more there about the British Cabinet than he is about the Community cabinet table.

How permanent is permanent and how for good is for good? Those crucial questions must concentrate the mind of the Committee tonight and until the Bill becomes law. It all boils down to budget discipline. Are the promises that were given at Fontainebleau on budget discipline, or the promises that the Government believe were given to them, watertight, and are such promises as are built into the legislation worth anything more than the paper on which the Bill is printed?

On Second Reading I quoted Mr. Unwin, the Treasury official who made it clear in his evidence to the Treasury and Civil Service Select Committee that the budget discipline agreement was not absolutely watertight. Hon. Members know that to be the case, and, as they have said, the document on the 1986 draft budget has blown the gaff on what is happening in the Community. That document says:

> "The VAT call-up rate will be 1·35 per cent. even under the strict assumptions on which the draft budget is based. This leaves only a slight margin of about 900 million ecu up to the new ceiling of 1·4 per cent."

The Economic Secretary, when replying to the debate on the previous amendment, chose to slide over that figure. But that document makes the position even clearer when it says:

> "Calculated on the same basis, the VAT rate was 1·06 per cent. in 1984 and 1·22 per cent. in 1985 (the difference between that and the 1 per cent. ceiling was made up by advances from Member States)."

Thus, in 1984 and 1985, the Community was considerably in excess of the ceilings that were laid down under the Treaty of Rome, and we can expect little or nothing different with the present ceiling.

We are talking about the CAP, as hon. Members have pointed out, and the whole question of budget discipline boils down to whether the CAP constraints can be made to stick. The publication *Agra Europe* for November of last year said:

> "Last week's agreement by the EEC's finance and foreign ministers on controls on agricultural support spending . . . was described this week by a senior EEC Commission official as 'not worth the paper it is written on.'"

The hon. Member for Mid-Worcestershire (Mr. Forth) pointed out, as he has repeatedly, that the growth of Community agricultural expenditure and the loopholes inherent in the budget discipline document mean that we can have little or no faith in the ability of the Community to remain within the present constraints.

A paper produced for the journal *European Trends* by Mr. Edmund Neville-Rolfe, director of the Bureau Européen de Recherches in Brussels, says:

> "Even if . . . the proposal for a freeze on average prices . . . is accepted by the Council, some increase is likely to have to be conceded for 1986-87. To accommodate this, as well as the cost of disposing of the carry over of stocks within the 1986 budget of 17·2 million ecu, could be a tight squeeze."

Mr. Neville-Rolfe goes on to underline the point that hon. Members have made in this debate, namely, that the loopholes that have been left under the vague phrase "exceptional circumstances" gives no confidence that the budget discipline will be adhered to. Only last weekend, the country that chose to deploy the veto on a 1·8 per cent. cut in cereal prices is now in the vanguard of a movement which wants to eliminate the veto for ever from the European Community.

The 1·4 per cent. VAT ceiling about which we are talking is already almost completely committed. It is only a matter of time, and a short time at that, before we shall be back here discussing intergovernmental agreements or the submission of a 1·6 per cent. limit. There will be more fractious negotiations over the increase to 1·6 per cent. Spending is not under control, and Ministers' assurances are as worthless now as they have been. It is right and proper for the House of Commons to set its own ceilings. If it does not, we have the prospect of returning to debate this matter again and again.

The Minister of State, Foreign and Commonwealth Office (Mr. Malcolm Rifkind): I congratulate hon. Members on their short, but forceful, contributions to the debate, which has concentrated on two matters that arise from the amendments. The first is the effect on the British contribution of the increase in own resources to 1·4 per

cent. The second is the procedure which might be applied if, at some future hypothetical date, a further increase in own resources was contemplated.

Perhaps I should begin by responding to some of the other matters raised by my right hon. Friend the Member for Worthing (Mr. Higgins) when he moved his amendment. He asked whether we could be certain that the abatement for 1985 would be paid if the Committee approved the Bill. We can be certain for two reasons: first, the sum appears in the budget which has been adopted by the EC and has gone through all its procedures; and, secondly, it is referred to in article 3(4) and on the final page of the own resources decision. The payment of the abatement flows directly from that.

My right hon. Friend asked when a definitive text of the Fontainebleau agreement would be available. A copy has been deposited in the Library, and the Treasury and Civil Service Select Committee produced an accurate copy of the agreement in its report.

Amendment No. 6 seeks to insert in the legislation the requirement that the British contribution, if the own resources element is increased to 1·4 per cent., should be kept at a maximum of 1 per cent. and should not be allowed to go above that. The Government believe that what my right hon. Friend seeks will happen. The present United Kingdom contribution is 0·82 per cent., and we believe firmly that, if and when the Community reaches the new ceiling of 1·4 per cent., the British contribution is almost certain to be no more than 0·87 per cent. That is a remarkable demonstration of what an excellent settlement the Fontainebleau agreement was for the British taxpayer. Even when the 1·4 per cent. ceiling is reached by other member states, the United Kingdom alone will not only not have to pay that much, but will still be under the present ceiling. It is churlish for any hon. Member not to recognise what an excellent deal the Prime Minister negotiated at Fontainebleau and how substantially it protects British interests.

The only way in which the British contribution could go above 1 per cent. would be if our receipts from the regional and social funds increased by more than half, from the present level of 25 per cent. to about 45 per cent., which is almost inconceivable, or that our agricultural receipts would increase by one quarter compared with our traditional share. That is also inconceivable, and no one would seriously advance the likelihood of that happening.

My right hon. Friend may ask, "Why can you not accept my amendment and put this in the legislation?" There are two reasons. First, to put a formal statutory prohibition on any British contribution above 1 per cent. would contravene the own resources decision and prevent us from ratifying the agreement. Therefore, the entire agreement would fall by the wayside. Secondly, it would reopen the Fontainebleau agreement, and one can be sure that if the United Kingdom sought to introduce new formal conditions or requirements, other member states would be similarly tempted. Therefore, while in practice the objective which my right hon. Friend seeks will, I believe, be satisfied, the proper way forward is not by legislative means.

12 midnight

My right hon. Friend also asked about the extent to which the agreement guaranteeing a two-thirds rebate of our VAT expenditure gap can be said to be a permanent agreement or a long-lasting one. If the House accepts, as I am sure it does, that the Fontainebleau agreement states specifically that the two thirds rebate procedure for the United Kingdom will last as long as the 1·4 per cent. ceiling, and if that 1·4 per cent. ceiling can be changed only by the unanimous agreement of all the member Governments and of their national Parliaments, anyone who is concerned about the long-lasting nature of the agreement has to believe, not only that a British Government would allow the safeguard to be dropped but that the House of Commons would endorse such a decision by the British Government. I believe that either of those possibilities is literally inconceivable.

Mr. John Townend (Bridlington): In that case, as it is so vital to Britain that the 1·4 per cent. level is not breached, my hon. Friend would help many of us who are having some difficulty in supporting the Government tonight if he would give an undertaking that the Government will not come back to this House, at least during the lifetime of this Parliament, to ask for an increase to 1·6 per cent.

Mr. Rifkind: I shall deal with that specific point, which was raised by my hon. Friend the Member for Southend, East (Mr. Taylor). The basic point is that even if at some hypothetical stage in the future the Government — or a future Government — wanted to consider an increase in own resources from the present level of 1·4 per cent., it is inconceivable that they would be prepared to contemplate that if at least the present level of protection negotiated at Fontainebleau, or something better, was not to be available. Clearly, that would be an absolute control which any Government would have in a matter of this kind.

Mr. Marlow: Before the intervention my hon. Friend used words to the effect, "If it were necessary for all Governments to agree" and "If it were necessary for all Parliaments to agree". Can he tell the House that it is necessary for all Governments and all Parliaments to agree?

Mr. Rifkind: I shall be dealing with that point, but I will deal first with the point raised by my hon. Friend the Member for Darlington (Mr. Fallon), who wanted reassurance as to the certainty of Parliament having the opportunity to take a decision on any question of the level of own resources. One can give that guarantee without any qualification. Just as for this increase in own resources it has been considered essential for this Parliament to consider whether to give its approval, so too would that be an absolute requirement in regard to any future question, at whatever stage that might be. That is not purely a British requirement. It is an equally fundamental requirement of every Government and every national Parliament.

My hon. Friend the Member for Northampton, North (Mr. Marlow) accepted that his amendment was defective in regard to one not unimportant word. I think he will appreciate that his amendment would be inappropriate for two other specific reasons. First, it would seek to impose a limit which is substantially below our present contribution to the European Community. Secondly, and more important, if such a condition were imposed, not only would the increase in own resources fall away but the British rebate arrangement would also fall away. It is so

[Mr. Rifkind]

linked to the own resources decision that his amendment would remove the protection which the British taxpayer now has.

I deal now with the substance of the amendments of my hon. Friend the Member for Southend, East (Mr. Taylor) and the hon. Member for Great Grimsby (Mr. Mitchell), and to the question whether there could be a time when the House could be asked to consider a further increase in own resources. The reference in the own resources decision to 1·6 cannot on any basis be taken as being either a legal commitment or a political commitment by Her Majesty's Government to consider as acceptable or desirable at any stage an increase in own resources from 1·4 to 1·6. It is not just in the preamble to the own resources decision; it is phrased in a way that makes it abundantly clear that it is little more than a statement of the obvious.

Mr. Austin Mitchell: Why is it there?

Mr. Rifkind: For the simple reason that a number of member states wanted an increase to 1·6 per cent. That was unacceptable to other members states and a compromise was reached which provided a form of words which was acceptable to those who wanted 1·6 per cent., although they well knew that it involved no legal or political commitment by the majority of the member states.

Mr. Budgen: My hon. Friend used the word "compromise". Compromise means that each party goes some way towards the other. To what extent did the British Government go towards the other parties?

Mr. Rifkind: To the extent of agreeing a form of words which stated the obvious. It may not have been a good deal for the other side. I shall quote the words of the document to ensure that there is no misunderstanding:

"Whereas the maximum rate may be increased to 1·6 per cent. on 1 January 1988 by unanimous decision of the Council and after agreement has been given in accordance with national procedures."

My hon. Friend is a distinguished lawyer. He will be aware that if he were advising his client about the extent to which that would ensure that own resources were increased to 1·6 per cent. he would say that it was a pretty raw deal. I am sure that my hon. Friend would be the first to advise his client not to rely upon such a document.

Mr. Budgen: They were conned.

Mr. Rifkind: My hon. Friend can make whatever interpretation he likes. I do not need to add to that. There is no such commitment, and that is important. Secondly, I repeat that any future increase would have to be subject to the approval of this as well as other national Parliaments.

My hon. Friend the Member for Southend, East, in a short but nevertheless important contribution, asked whether the Government would welcome any proposal for a further increase and whether they would consider initiating such an increase during the course of this Parliament. Naturally, we should have to consider on its merits any request for an increase in own resources, but Her Majesty's Government would not welcome any proposal for a further increase in own resources during this Parliament. I cannot see us initiating any such request.

Mr. Forth: Will my hon. Friend answer my question before he sits down?

Mr. Rifkind: My hon. Friend will appreciate that we are in Committee and that I have been dealing with specific amendments. He will be aware that the comments which he and others made about the effects of climate on agricultural expenditure do not apply merely to the European Community or to the system of agricultural support in the Community, but apply equally to a system of deficiency payments or any system which must take into account world prices when public expenditure is being considered. Any fair assessment of these matters would take that into account.

On the basis of my comments about the Government's attitude to any further increase in own resources, I hope that my right hon. and hon. Friends will not feel obliged to persist with the amendments.

Mr. Higgins: In the light of my hon. Friend's reply, and in particular the remarks that he made towards the end of his speech, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 1 ordered to stand part of the Bill.

Clause 2 ordered to stand part of the Bill.

New Clause 13

REPORT ON COMMISSION CALCULATIONS

'Within one calendar month of receipt of the calculations made by the Commission under section 5 of Article 3 of the Decision, a paper will be presented by Her Majesty's Government to both Houses of Parliament explaining the financial consequences of these calculations for the Consolidated Fund.'.—*[Mr. Teddy Taylor.]*

Brought up, and read the First time.

Mr. Teddy Taylor: I beg to move, That the clause be read a Second time.

The Second Deputy Chairman: With this it will be convenient also to consider the following new clauses:

No. 17—*Report on Operation of the Decision*—

'A Report shall be placed before each House of Parliament annually on the financial liability placed on the Consolidated Fund of the implementation of the Decision.'.

No. 19—*Report on additional revenues*—

'A Report shall be submitted to both Houses of Parliament by Her Majesty's Government in the event of any additional revenues being agreed in terms of Article 2 of the Decision.'.

Mr. Taylor: The new clause proposes annual reports. We have found to our distress previously that the High reports have not always been shown in what has happened. With regard to the Government's estimates on contributions and so on, it would be helpful to have a regular system of reporting back. I wonder whether my hon. Friend sees any scope for agreeing something along those lines.

Dr. McDonald: I shall be as brief as the hon. Member for Southend, East (Mr. Taylor). I have no doubt that the Economic Secretary will reply that the information is readily available, but such information should be clearly available so that we understand exactly what the abatement mechanism involves and the amounts of money that we pay in terms of the various articles and decisions to which the new clauses refer. Information should be less misleadingly available than is evidenced in the parliamentary replies which the Economic Secretary has given to the hon. Member for Southend, East.

Mr. Ian Stewart: The Government will endeavour to provide the necessary information in as clear a form as possible. Calculations relating to abatement will be included in the preliminary draft budget, the draft budget and the budget as adopted, all of which will be laid before the House with explanatory memorandums. I shall ensure, as I always try to do, that that information is made available as soon as possible after those documents are in our hands. There is further information in the public expenditure White Paper and in the Autumn Statement.

Those documents should provide the information that hon. Members need. It is especially difficult to deal with parliamentary questions about refunds and abatements at the moment, because we are at the point of transition from the old system to the new, so the manner of presentation is not always straightforward. I think, however, that I can respond favourably to the spirit of the remarks that have been made.

Mr. Teddy Taylor: In view of that answer, which I greatly appreciate, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

To report progress and ask leave to sit again.—*[Mr. Peter Lloyd.]*

Committee report progress; to sit again tomorrow.

Further Education Bill *[Lords]*

Order for Second Reading read.

12.12 am

The Parliamentary Under-Secretary of State for Education and Science (Mr. Peter Brooke): I beg to move, That the Bill be now read a Second time.

It gives me particular pleasure to bring to the Commons a Bill on which Government and Opposition in the House of Lords have worked with remarkable unanimity of purpose to achieve what was described as a "high degree of consensus" as the Bill left the upper House.

The House will be well aware of the Government's concern to ensure that the education service makes the maximum possible contribution to the vital business of wealth creation for the country. In relation to higher education, the recent Green Paper on the development of higher education to the 1990s made this theme its leitmotif. It was a theme that, in relation to further education, ran through the Government's White Paper on training for jobs.

To this end, the central contribution of the education service is through the provision of appropriate courses of education and training and, at the higher education level, in undertaking associated research of high qualify. But the education system also has the capacity—and I would go as far as to say the responsibility — to apply its intellectual expertise and specialist facilities more directly to the business of wealth creation, particularly by working in collaboration with industry and business enterprises.

It is already open to universities, as autonomous institutions, to do that. It is the principal purpose of this Bill to remove the legal barriers which at present prevent their counterparts in the local authority sector from doing the same, and to enable them to engage in commercial activities which arise out of their primary educational and research functions. The restrictions arise because most polytechnics and colleges of further education have no separate legal existence from the local education authority that maintains them. Local authorities are restricted by statute in the commercial activities that they can undertake; their polytechnics and colleges are currently automatically caught by the same restrictions.

The Bill also repeals section 28*(b)* of the Sex Discrimination Act 1975. At present, colleges are legally permitted to run single-sex PE courses for prospective teachers. In 1975, when the Sex Discrimination Act was passed, there were several such courses, but over the years they have been supplanted by mixed courses, and there are now no segregated courses in England and Wales and only two in Scotland, both of which it is planned to integrate in the near future. Meanwhile, the Commission for the European Communities has issued a reasoned opinion to the effect that the exemption made in section 28*(b)* of the 1975 Act contravenes the EC equal treatment directive 1976. The Government have not accepted that opinion, but have decided that there would be little point in defending before the European Court of Justice a provision the original purposes of which have almost entirely disappeared in practice. The Government are therefore taking this opportunity to repeal section 28*(b)* but without making any other changes to the Sex Discrimination Act.

I return now to the main business of the Bill. It has been widely held for some time that ready use should be made of the facilities and expertise in higher education

[Mr. Peter Brooke]

institutions. That was underlined in 1983 by a report of a joint working group of the Advisory Council for Applied Research and Development and the Advisory Board for the Research Councils chaired by Sir Alan Muir Wood on "Improving Links between Higher Education and Industry". Among other things, the report recommended that the law be changed to allow polytechnics to negotiate contracts and undertake consultancies. The Bill fulfils that recommendation.

As universities have shown, there are a great many opportunities that can be profitably pursued by education establishments in co-operation with business. They range from sponsored or joint research projects through the exploitation of inventions to consultancy and the scientific testing of equipment and materials. Clause 1 defines the scope of those activities by reference to the normal educational activities of teaching and research. Clause 2 empowers local education authorities to enter into agreement for the supply of those byproducts of educational activities, using further education establishments' facilities and the skills, expertise and ideas of their staff and students. It may well be — indeed it is the Government's expectation — that LEAs and their institutions will feel that setting up limited companies will in many circumstances afford the best channel for their commercial activities. Accordingly clause 2 empowers LEAs to lend money for that purpose to companies in which they hold a significant stake — 20 per cent. or more of the voting shares. It is not necessary for the Bill specifically to empower local authorities to establish or hold shares in companies, since they already have that power under section 111 of the Local Government Act 1972.

Engaging in commercial activities, however, necessarily entails being subject to commercial disciplines, and having to make the same hard choices as face business enterprises. The Government have been particularly anxious therefore that local authorities and their institutions should, in engaging in commercial activities, be subject to an appropriate financial regime that does not enable them to engage in unfair competition with private sector enterprises. Getting the balance exactly right, I acknowledge, is not easy; and the Government have been happy, in the light of persuasive arguments advanced in another place, to introduce a number of amendments relating to that aspect of the Bill.

As now amended, therefore, the Bill requires local authorities to price all contracts at the open market value, and to use their best endeavours to ensure that the separate revenue account that they will be obliged to keep in relation to their commercial activities shows an annual surplus. Such accounts will also have to show the full cost of the commercial activities, including attributable overheads. The intention here is to put polytechnics and colleges as nearly as possible on to the same footing as any other business enterprise. The only exceptions to that rule are supplies arising as an integral part of teaching, where the predominant purpose is to train the student, and the product arises only incidentally to that; and supplies to research councils or other specified public bodies.

Clause 3 lays down the financial and accounting framework, within which the commercial activities must take place. It provides for the Secretary of State, after consultation with local authority representative bodies, to set minimum interest rates for the loans which authorities may make to companies. The purpose of the Bill's accounting arrangements is to provide a consistent approach between one authority and another and, as I have explained, to ensure fair and open competition. I assure the House that in practice those obligations will be kept to the minimum consistent with their purpose. The Department is already engaged in consultations with the local authority associations and the Chartered Institute of Public Finance and Accountancy about what form the accounting arrangements should take. The accounts of limited companies set up by authorities and their institutions will obviously be subject to company law, rather than to the provisions of the Bill.

If hon. Members have any more detailed points which they wish to raise on the Bill's provisions, I shall be happy to answer them during its passage. In conclusion, I should like to remind the House of the Bill's underlying objective. It is to release the innovative talent, which we believe exists abundantly in polytechnics and colleges throughout the land, so as to bring rewards — financial and otherwise — to LEAs and their institutions, to the innovators themselves, to their partners in industry and to the nation as a whole. The Bill merely provides the framework. It is up to LEAs, their institutions and lecturers to make it happen.

The Bill deserves the support of hon. Members on both sides of the House, and I ask for that support.

12.20 am

Mr. Andrew F. Bennett (Denton and Reddish): The Minister has offered us some fine words about his hopes. I hope that he will admit that in many colleges and polytechnics those hopes have already been achieved. Whether or not that was legal, those colleges already have a successful record in doing what the Government seek.

The Minister also said that he was glad that there was so much accord in the other place when the Bill was finally debated there. I suspect that that was because it was slipped through in the dinner interval. I also suspect that the Government hoped to slip the Bill through at our breakfast interval, but fortunately we are debating it a little earlier than that. Nevertheless, the Government seem to want to slip it through without much national debate, claiming that it deals with practical problems. We suspect that they are again moving towards privatisation, and want to hive off some of the public higher education sector. The Bill should be more fully debated than it will be this evening.

All hon. Members are aware of how difficult it is to draw the line between corruption and misuse of public resources, and good common sense. Many of us have come across lecturers who have become consultants for private companies within their college area, and who have eventually been offered a place on the board, shares, free trips abroad or some other benefit, while the college gets no fee or benefit. It is only right that the college and sponsoring authority should benefit if lecturers carry out work within the college's time.

It is difficult to work out how much a lecturer uses college facilities and time and how much he uses his own to advise and help local businesses. It is difficult to draw clear guidelines.

Moreover, almost all colleges with catering establishments offer training restaurants, and those with hairdressing courses often offer hairdressing facilities.

That raises the question of what the charge to the general public should be, how far it should be related to competing establishments outside where there is no training, and how far it should be reduced because the students are in training. In car maintenance courses, the car of the principal or senior lecturer is normally repaired, which also raises questions. Those are difficult areas, but most colleges have managed to tiptoe through them correctly. Nevertheless, there must be some control and consideration of those areas.

I hope that the Government will not push too many services into becoming purely commercial operations, especially training restaurants and hairdressing services which benefit pensioners who are prepared to come at inconvenient times.

The Government should also be careful about insisting that fees be charged for other services to the community, especially to groups who are not in a position to pay for them. We should accept the basic principle that our education institutions are a resource for the whole community, not just for a small minority. Tenants' associations, environmental groups and the like often seek advice and expertise from such institutions. It would be unfortunate if they were denied that opportunity in the future because they could not pay for those services.

With regard to clause 4 and the sex discrimination provisions, it seems logical to carry out the directive and to remove the waiver from the legislation. I understand that in practice the exception applies to just two colleges in Scotland — Dunfermline and Jordanhill — and to a minor extent in Northern Ireland. I understand that we are still awaiting the outcome of an inquiry into the provision of physical education courses. How far does this legislation prejudge the outcome of that inquiry? Will the two courses in question simply remain but both become mixed courses or do the Government intend to push through a merger of the two Scottish institutions?

I should also like an assurance from the Government that this is not a major new departure for education institutions but an attempt to make it clear beyond any doubt that what the better polytechnics and colleges of further education are already doing is perfectly legal and that institutions which raise additional resources in this way will not have to hand them over to the local authorities and that the charges imposed will take account of the groups who use the services. In relation to the fair return provision in clause 2, I hope that account will be taken of the fact that for services such as training restaurants and hairdressing members of the public have acted as willing guinea pigs for a very long time and that the charges will not be set too high.

Finally, perhaps the Government will consider deferring the Committee stage to allow for a little more probing and a wider debate outside the House before the Bill completes its passage.

12.28 am

Mr. John Maxton (Glasgow, Cathcart): I wish to deal only with clause 4, which relates to the Sex Discrimination Act 1975. My comments will relate particularly to Dunfermline college of education and to the Scottish school of physical education at Jordanhill college of education.

I should make it clear at the outset that I speak for the Association of Lecturers in Colleges of Education in Scotland but in an entirely honorary, unpaid capacity. As a former chairman of the association I am expected to raise matters of this kind.

It is astonishing that in almost a throwaway remark in the dead watches of the night a Minister with no responsibility whatever for Scottish education should announce a major policy change in relation to Scottish colleges of education. I am glad to see that the Under-Secretary of State for Scotland with responsibility for education in Scotland has now arrived but he was not present when the change of policy was announced.

The Minister said, "Since 1975 things have changed. In England and Wales there are no longer any colleges that are not open to both sexes." He then said that only two Scottish colleges were affected and that these would merge in the near future. That is news to the Scottish college of education system, which did not know that those two colleges would merge in this way. No announcement has been made by the Scottish Office, and the only information that has been given relates to the implications of this clause, reference to which was made in correspondence with the principal of Jordanhill. That states:

"Clause 4 of the Bill seeks to repeal Section 28(*b*) of the Sex Discrimination Act".

That has already been said. It adds:

"I should also explain that it is not the Secretary of State's intention to bring Clause 4 into effect until such time as the Department has considered the STEAC Report on the framework of higher education in Scotland as a whole".

That committee has been looking at the nature of higher education in Scotland for some time, and I gather that it will report in the autumn. Quite rightly, the Secretary of State is saying that he wishes to wait until he knows the outcome of that inquiry—*[Interruption.]*

From a sedentary position the Minister responsible for Education in Scotland agrees with me. But that is not what the Parliamentary Under-Secretary said in his opening remarks. He said that these colleges were to merge in the near future. I hope that we shall get some clarity on this point, because there seems to be a major shift in intention.

I cannot disagree with the thrust of the legislation. It is right that these colleges should take in students of both sexes. Given present numbers in Scottish colleges that train teachers of physical education, it would not be right to take on students of both sexes and divide them up. In some ways it make sense to take the Scottish college of physical education of Jordanhill and merge it with the Dunfermline college. That makes more sense than closing down completely the facilities at Dunfermline college and moving them to the much larger complex at Jordanhill. I hope that that is how the Minister's thoughts are moving.

That should have been done through a Scottish Office statement or by legislation relating directly to Scotland, rather than have it thrown into a basically non-controversial Bill that in the main relates to England and Wales. There is a separate method in this House for dealing with Scottish matters, and it is not right that we should have a major change in the way in which Scottish colleges of education operate by means of a throw-away remark at a late hour by a Minister who is not responsible for Scottish education.

12.33 am

Mr. Robert Rhodes-James (Cambridge): I intervene very briefly to welcome the Bill and the principles that it enunciates, because they are long overdue.

[Mr. Robert Rhodes-James]

Would it not be possible, however, to draft legislation in more comprehensible terms? In particular, I draw my hon. Friends attention to clause 2(7), which states:

"For the purposes of this Act the open market value of goods or services shall be taken to be the amount of the consideration in money that would be payable for the supply by a person standing in no such relationship with any person as would affect that consideration."

I mention that particularly because legislation that is as important as this should be expressed in terms that can be understood, are comprehensible and stand up to inspection.

The legislation is right in principle. However, legislation such as this affecting colleges of further education, which will have to be communicated to people, should surely be communicated in the Queen's English.

12.35 am

Mr. Brooke: With the leave of the House, I should be delighted to respond to points that have been made in the course of the debate. The hon. Member for Denton and Reddish (Mr. Bennett), in acknowledging that there is broad agreement on the Bill, raised the question of whether such a Bill was necessary, given what has already been done by many polytechnics and colleges. It is worth saying that authorities whose colleges engage in commercial trading do so at present in reliance on section 111 of the Local Government Act 1972, which permits an authority to do

"anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions".

The difficulty with such widely worded expressions is the risk, particularly when under scrutiny in adversity, that the courts may decide upon a rather narrower interpretation than the authority. I agree with the hon. Gentleman that admirable things are already being done by polytechnics, and the purpose of the Bill is to remove any dubiety at all and to confirm that these actions are undeniably legal.

The hon. Gentleman went on to speak about the arrangements under which those employed by polytechnics and colleges at the moment conduct services in the market place. These matters are essentially for the colleges and authorities concerned, although I recognise the significance of what the hon. Gentleman said, and I am certain that those outside will have noted it.

The hon. Gentleman referred to supplies and the pricing of them—hairdressing charges and training restaurants are good examples. These issues are specifically referred to in the Bill in clause 2(4) as

"goods or services . . . supplied, in the normal course of any of the educational activities"

and they are excluded from some of the pricing considerations that would otherwise apply. We have good reason to believe that the restaurants and hairdressers that are anxious to employ people coming out of the courses recognise that this is appropriate by-product of the courses.

A certain amount was made about sex disrimination in Scotland, not only by the hon. Member for Denton and Reddish but by the hon. Member for Glasgow, Cathcart (Mr. Maxton), and I was delighted that he joined in the debate. What I said earlier is that

"there are now no segregated courses in England and Wales and only two in Scotland, both of which it is planned to integrate in the near future."

In Scotland, there are two courses, one at Jordanhill for men and one at Dunfermline for women. A report is expected before the end of the year from the Scottish Tertiary Education Advisory council on the framework for higher education as a whole in Scotland. Until that report is available, no decision about the colleges will be made.

I should stress that I was referring to plans to integrate the two courses concerned, and not to merge the colleges, which is a much wider issue. It is intended that moves will be made towards integrating the sexes in PE teacher training in Scotland, as soon as possible after the publication of the report. Because of this potential delaying factor, the Further Education Bill provides for the repeal to be brought into effect at different times in England and Wales and in Scotland. I hope that that reassures the hon. Member.

The hon. Member for Denton and Reddish drew attention to the fact that we were taking the Bill through all its stages tonight. We had understood that it was agreed that that should be done. In any event, it is in the interests of the House and of the further education community to proceed as has been announced, and I hope that the hon. Gentleman will feel able to accept that.

I think that that exhausts the subjects raised in the Second Reading debate, except for the comment of my hon. Friend the Member for Cambridge (Mr. Rhodes James), who drew attention to certain infelicities in the Bill's language. I acknowledge that in seeking to provide phraseology which will remove doubt about the pricing matters with which the Bill is concerned, we may have ended up with wording which is perhaps not the most beautiful that the House has ever had before it.

Mr. Andrew F. Bennett: I should have thought that, in a spirit of co-operation, the Minister would have offered to his hon. Friend the opportunity to table a manuscript amendment so that he could alter the offending language.

Mr. Brooke: My hon. Friend the Member for Cambridge and I are on very warm terms. I do not think that he wanted to press his point quite that far, so it is a dilemma that I think I shall be spared. But I am grateful to my hon. Friend for drawing attention to the matter.

Question put and agreed to.

Bill accordingly read a Second time.

Bill committed to a Committee of the whole House.—*[Mr. Neubert.]*

Further proceedings stood postponed pursuant to the Order of the House this day.

FURTHER EDUCATION BILL *[LORDS]* [MONEY]

Queen's Recommendation having been signified—

Resolved,

That, for the purposes of any Act resulting from the Further Education Bill *[Lords]*, it is expedient to authorise the payment out of money provided by Parliament of any increase attributable to the said Act in the sums payable under any other Act out of money so provided—*[Mr. Neubert.]*

Further Education Bill *[Lords]*

Considered in Committee (pursuant to the Order of the House this day)

[MR. HAROLD WALKER *in the Chair*]

Clause 1 ordered to stand part of the Bill.

Clause 2

POWERS OF LOCAL EDUCATION AUTHORITIES

The Parliamentary Under-Secretary of State for Education and Science (Mr. Peter Brooke): I beg to move amendment No. 1, in page 2, line 21, leave out 'under the Education Act 1944'.

The Chairman: With this it will be convenient to discuss Government amendment No. 2.

Mr. Brooke: These two amendments are tabled in response to one tabled by Lady David in another place which she withdrew on the understanding that the Government would table their own amendment along similar lines.

The effect of amendment No. 2 is to cause the Bill to be cited and construed as one with the other Education Acts, thus emphasising that the Bill forms part of that body of education law. Amendment No. 1 is purely consequential.

As a result of the main amendment, the Secretary of State for Education and Science will be able to exercise a number of the general powers conferred on him by the Education Act 1944 in relation to activities under the Bill, including in particular sections 67, 68 and 99.

Sections 67 empowers the Secretary of State to determine disputes between local education authorities and governors. Sections 68 and 99 and default powers permitting the Secretary of State in the last resort to issue directions where he considers that an authority or body of governors is acting unreasonably or in breach of its powers and duties under the Education Acts. The power to vary or revoke orders or directions conferred by section 111 of the 1944 Act will also apply to orders and directions made under the Bill.

It is the Government's hope that only in very rare cases will it be necessary to exercise these powers. They are powers which the Secretary of State already has but very rarely uses in their educational context, and it is not our intention that the Secretary of State should intervene in the commercial matters covered by the Bill, except as a last resort.

Amendment agreed to.

Question proposed, That the clause, as amended, stand part of the Bill.

12.45 am

Mr. Robert Rhodes James (Cambridge): When my hon. Friend has considered the matter, he might write to me to explain exactly what clause 2(7) means.

Mr. Brooke: I am delighted to give the assurance that I will do so.

Question put and agreed to.

Clause 2, as amended, ordered to stand part of the Bill.

Clause 3 ordered to stand part of the Bill.

Clause 4

REPEAL OF S. 28*(b)* OF SEX DISCRIMINATION ACT 1975

Question proposed, That the clause stand part of the Bill.

Mr. John Maxton (Glasgow, Cathcart): On Second Reading it was right that the Minister of State at the Department of Education and Science should respond to the remarks I made. Although he did so with ability and charm, it is a Scottish Office matter. The Minister who is in charge of education in Scotland is on the Bench. He might like to have the opportunity to say a few words in his own defence; he is desperately shaking his head.

I accept what the Minister said and I look forward to the Muir Wood report with interest. I emphasise again how much better it would be if we in Scotland had an assembly in which we could deal with matters such as this at the proper time of day, with due deliberation and with an opportunity to consult all interested parties in Scotland.

Mr. Brooke: I have already been given a lesson by the hon. Member for Glasgow, Cathcart (Mr. Maxton) on the hazards of straying into Scottish affairs. The last thing I will do is follow him into the issue of an assembly, tempting though the suggestion is.

Question put and agreed to.

Clause 4 ordered to stand part of the Bill.

Clauses 5 to 7 ordered to stand part of the Bill.

Clause 8

SHORT TITLE

Amendment made: No. 2, in page 6, line 11, at end insert—

'(1A) The Education Acts 1944 to 1981, the Education (Fees and Awards) Act 1983, the Education (Grants and Awards) Act 1984 and this Act except sections 4 and 5 above, may be cited together as the Education Acts 1944 to 1985.

(1B) This Act except sections 4 and 5 above, shall be construed as one with the Education Act 1944.'. — *[Mr. Brooke.]*

Mr. Brooke: I beg to move amendment No. 3, in page 6, line 12, leave out subsection (2).

The amendment removes the privilege amendment inserted by the Lords to avoid infringing the Commons privilege. Although we do not expect any increase in public expenditure as a result of the Bill's passage, it is nevertheless necessary to remove the subsection in accordance with usual custom.

Amendment agreed to.

Clause 8, as amended, ordered to stand part of the Bill.

Bill reported, with amendments.

Motion made and Question, That the Bill be now read the Third time, *put forthwith pursuant to Standing Order No. 56 (Third Reading), and agreed to.*

Bill read the Third time, and passed, with amendments.

Overseas Development and Co-operation

12.50 am

The Minister for Overseas Development (Mr. Timothy Raison): I beg to move,

That the draft African Development Fund (Fourth Replenishment) Order 1985, which was laid before this House on 20th June, be approved.

The purpose of the order is to authorise an increase in our payments to the soft lending resources of the African development fund.

The African development fund is an important part of the international economic system. It was set up in 1973 to contribute to the economic and social development of the regional member countries of the African Development Bank by providing finance on concessional terms. It is a long-term development lending institution. The fund has broadly the same developmental objectives as our own aid programme — to help the poorest countries. We have always supported the fund, and the United Kingdom was one of its founder members. Fourteen independent African members of the Commonwealth have received ADF loans. As part of a multilaterally negotiated arrangement, our own contributions to the fund help to gear up a greater flow of money to the poorer countries, and to the poorest people within those countries.

The African development fund is a joint partnership between the African Development Bank, which holds 50 per cent. of the voting power, and 26 non-regional participating states. Almost 75 per cent. of the fund's loan commitments in 1984 were to the very poorest member countries. This figure is likely to increase this year, as more than 90 per cent. of projects in the fund's pipeline are for countries with a per capita GNP of less than $510. All ADF loans are interest-free, but they attract a small service charge of 0·75 per cent. They are repayable over 50 years, with a 10-year grace period—except for lines of credit, for which the repayment period is up to 20 years including a grace period of up to five years.

The present famine in Africa has emphasised the importance of self-sufficiency in food production. Africa's food dependency on outside sources has grown at an alarming pace, with imports of grain increasing at 11 per cent. a year during the past 20 years. The importance of strengthening agriculture, particularly food production, cannot be doubted. Agriculture has received the largest share of fund resources—just over 40 per cent. in the period from 1974 and almost 42 per cent. in 1984 alone. Transport received the second largest share with 26 per cent., followed by public utilities with 18 per cent. and education and health with 15 per cent. By the end of 1984, the fund had approved 349 loans amounting to some £1,870 million equivalent at current exchange rates. Of this sum, £558 million had been spent. There was a slow-down in disbursements in 1984, however, reflecting the current difficulties for African countries in implementing projects.

The fund is aware of those problems and is trying to help by providing increased technical assistance to improve the preparation and implementation of projects. Five per cent. of the replenishment will again be available for technical assistance. So far, the United Kingdom has committed to the fund £55·2 million, of which about £21·4 million has been disbursed. Negotiations for the fourth replenishment of the fund's resources, to cover the commitment period 1985 to 1987, were successfully completed in 1984. The participating states and the African Development Bank agreed to provide jointly £1,012 million—an increase of almost 50 per cent. over the previous replenishment and within 0·2 per cent. of the target set in the governor's resolution. Our own share of the replenishment, subject to parliamentary approval, will be £30,934,961 at the agreed exchange rate. That is a share of 3·05 per cent. of the target figure. The proposed replenishment and its terms and conditions were approved by the board of Governors of the African Development Bank and fund on 2 November last year.

The replenishment arrangements include provisions which envisage that other countries' contributions may be released more slowly for commitment if one or more of the donors fails to meet its obligations in full or in time. That is a valuable safeguard. I hope that the House feels that the order is of value to the poorer countries of Africa. I therefore commend it to the House.

12.55 am

Mr. Stuart Holland (Vauxhall): I welcome a replenishment of this very important and significant fund. Of course, we are well aware of its concessionary nature and the positive contribution that it can play in relation to developments in the African continent.

However, the Government's contribution is less than it should be, and certainly so against the scale of the debt crisis with which Africa is faced. At the moment Africa is very much under-capitalised. The contributions made by the fund are good in principle, but they are slow in disbursement. The scale of the under-capitalisation has already been covered by several contributions on development issues in debates in this House during the past two to three weeks, but it is worth stressing that the net flows of capital to Africa, both private and official, have fallen considerably from $11 billion in 1980-82 to a projected $5 billion for 1985 to 1987. That decrease has been substantially due to the fall in private capital flows something which those supporting market forces in Africa — not unassociated with the current Administration in the United States — should note. It is especially important that we offset that by public capital flows.

The scale of the overall debt for Africa of $80 billion, with an average interest rate of 8·6 per cent., is resulting in a debt service of $11 billion as opposed to $4 billion in 1981. Such figures and proportions put the Government's contribution into proportion.

It is also important to look at the structure of resource distribution in the fund against disbursement by the bank, over the 1980s. For example, at the end of 1981 agriculture constituted 26 per cent., transport 25 per cent., public utilities 25 per cent., industry 16 per cent. and education and health 8 per cent. For 1983 the agriculture contribution went down to 23 per cent., and the public utilities share was substantially up from one quarter to one third. Industry was down by nearly a half in percentage terms. Frankly, one would expect that more funds could be allocated to agriculture, granted the massive and horrendous scale of the drought in the sub-Saharan countries. We are sure that the directors of the fund are doing their best to shift resources into agriculture, but they need more support to do so.

It is interesting to look at the average size of project loan being made. In 1982 it was 11 million units of account, and in 1983 16 million units of account. In other words, on 1983 figures, the African Development Bank accounted for some 40 per cent. of the total cost of projects and there has been a very considerable rise in the percentage of projects covered by the fund.

In one sense, that is to be welcomed, but inasmuch as there tends to be a preference by the fund for financing larger projects—whether dams, roads or public utilities —that share has risen, and we trust that it will not concern itself exclusively with the larger rather than the smaller projects.

Despite what the Minister said—and I noted it with interest — about contributions going to the poorest countries, that is not borne out by the relatively recent figures for the bank. For example, the cumulative loans in 1983 show that Morocco gained 109 million units of account and Ethiopia only 16·5 million. Tunisia gained 163 million and the Sudan only 22 million.

Mr. Raison: The hon. Gentleman is talking about the bank rather than the fund, if I understand him correctly. The fund is, in effect, the equivalent of International Development Association. The fund does for the bank what IDA does for the International Bank for Reconstruction and Development. Surely it is a little misleading to talk in terms of bank lending, unless I have misunderstood the hon. Gentleman.

Mr. Holland: No, I think not, much as we would talk in terms of what is the relation of IDA lending to World Bank lending, and not least in view of the overall debt crisis affecting the drought-ridden countries in sub-Saharan Africa. It is precisely this overall context of the role of the fund that I want to stress in giving these figures. I will put them again. Ethiopia is coming low and Sudan is coming low in terms of the African Development Bank's funding so that the concessionary finance is needed more than ever and has to be taken as only offsetting that other weighting in the country distribution of the bank's financing.

As with Lomé and as with many other agencies, as we are well aware, the disbursement has been slow. The figures to the end of 1983 show that nearly 40 per cent. of allocated loans are not yet disbursed. It is clear that in the replenishment of the fund, from the figures which are available, the United Kingdom's contribution is less than half that of France and Italy, less than a third that of Germany and Canada and less than a quarter that of Japan. It is only a fraction above that of Denmark, a much smaller country than the United Kingdom and one that is facing public expenditure constraints. This low contribution from the Government is against the background of the lamentable cuts in overall official development assistance.

The agricultural crisis in sub-Saharan Africa clearly will not be remedied by measures such as lending by the fund alone. We support the fund; we think that it is doing excellent work, but the figures themselves on the overall crisis are illustrative. In terms of the productivity in land, in Niger, in 1920, the average yield of cereals per hectare was about 500 kilos. By the late 1950s it was down to 350 kilos. We see reflected in that long-term trend the declining average consumption per person per year in the African subcontinent from about 220 kilos per person in 1970 to only 180 kilos in 1984.

In terms of the effectiveness of the funding of agricultural projects, and especially smaller scale projects, Idriss Jazairy when here recently stressed to several hon. Members that whereas it cost about $400 per tonne to transport emergency food aid to the highlands of Ethiopia, an agency such as IFAD, for example, by spending $200, could produce one tonne of cereals per year for 20 years. It is this kind of project in which the fund should specialise. The overall figures on the sectoral distribution of its lending show that it is still finding it difficult to be able to gain sufficient absorbtion of those resources.

I end by quoting Edovard Saouma, the Director General of the FAO, commenting on the crisis in sub-Saharan Africa. He said:

"We can beat this crisis. Stage 1 is food relief. Stage 2 is recovery. But famine could reappear if we do not press ahead with stage 3, a new agenda for long-term development."

Against such a plea and against such a crisis, the British Government's contribution to the replenishment of the African development fund is profoundly disappointing.

1.5 am

Mr. Colin Moynihan (Lewisham, East): While I welcome the announcement made by the Minister tonight, it is sad that the fund, which had aimed to achieve a 40 per cent. target—that is, 40 per cent. for agricultural development during the first three years of ADF 3—is lamentably short of that target.

Considering the soft, concessionary loan funds that are available—not least through the IDA and the African and Asian development funds—it is a pity that full advantage has not been taken of this opportunity for specific emphasis to be placed on agricultural and infrastructural development, which does not require the rate of return, for example, which African Development Bank projects require.

Faced with external debts and the poor economic base of many African countries, much weakened by recession, in addition to the appalling famine conditions and the sustained period of drought, with, at the same time, a population explosion and a declining trend in agricultural productivity—all occurring within the last two or three years—it is a shame that we have not had a greater emphasis from the fund towards agricultural development.

It is important that institutions such as the African development fund should look in particular at medium-term strategies to help overcome the appalling problems that are faced by many countries in sub-Saharan Africa as a result of the drought. It would be beneficial for the fund to examine closely a strategy for medium-term solutions, such as smallholder schemes aimed at relieving the dreadful agricultural decline in productivity.

Apart from hoping that the fund accepts that the challenge for Africa is agriculture—and, therefore, the need to move towards the 40 per cent. target and away from the 23 per cent. figure—I hope that consideration will be given to the slow disbursement that has been characteristic of the fund's activities. This is, unfortunately, a growing problem with all international lending agencies. There seems to be a fixation on paying undue attention to the World Bank project cycle, which can sometimes occupy too much time in project preparation and the pre-appraisal of projects before conditions for disbursement are even reached.

At a time when disbursement needs to be that much more rapid, I hope that not just the fund but international

[Mr. Colin Moynihan]

lending agencies in general will put more energy into the speed of disbursement. Therefore, while welcoming the conservatism for which the fund is renowned in terms of appraising projects, I hope that that will not lead to too slow a rate of disbursement of funds for projects.

I hope that it will also encourage co-financing, particularly with Gulf funds. There is much money still in the international lending agencies in the Gulf — for example, in the Abu Dhabi and Saudi funds and even in the OPEC fund in Vienna. They all have the facility to co-finance. While, therefore, there exist soft, concessionary, loans in various funds, and not least the African development fund, it is important that co-financing with other international lending agencies should take place.

Equally, I urge British companies which are interested in agricultural development in Africa to recognise that the African development fund looks closely at the financing of infrastructural development within an overall project for agricultural development. Companies do not look closely enough at the opportunities available to them for co-financing and working together through the Asian and African development banks, the international lending agencies and, particularly, by way of soft loan funds, when they are appraising financial packages for their projects and investments.

I have always welcomed our having taken on membership of the fund in 1973 and of the bank in 1983. I hope that we will use our influence to persuade the fund to place more emphasis on agricultural development in Africa and to speed up the disbursement process, for such a speeding up is greatly needed today.

1.9 am

Mr. Jim Lester (Broxtowe): I agree with the points made by my hon. Friend the Member for Lewisham, East (Mr. Moynihan), and I wish to add only one. From the Minister's figures, it would appear that the African Development Fund spends 90 per cent. of its money on the poorest countries in Africa—those with an average per-capita income of less than $510—and that its priority is agriculture. As the money spent is substantially more than our bilateral aid programme, one asks whether the African Development Fund could be a vehicle for increased resources, in terms of reaching those who are uppermost in our constituents' minds. Indeed, they believe that our aid should go to support agricultural development in the poorest African countries.

Although I welcome this fourth replenishment, I question the value of the ADF in terms of our total support for Africa, and our commitment to the fund and its development.

1.10 am

Mr. Bowen Wells (Hertford and Stortford): I shall confine my remarks to the African Development Fund, which I understand is the subject of the order. The hon. Member for Vauxhall (Mr. Holland) seemed to wish to discuss the International Fund for Agricultural Development and the African Development Bank, which, although worthy of discussion, are not included in the order.

My support for the order is qualified. Insufficient control is exercised by my right hon. Friend's Department over the way in which the African Development Fund spends its money. My hon. Friend the Member for Lewisham, East (Mr. Moynihan) mentioned the slowness of disbursement, which is especially difficult to understand when one considers the serious needs of African agriculture, and the nature of the fund. It shows a lack of imagination on the part of those who administer the fund. We should have a robust representative on the fund's board of directors to ensure that those concession funds are used in the most appropriate way. I do not believe that Britain is exercising its full influence on the board of directors, and I hope that, since we are giving an additional £13 million to the fund, we shall endeavour to play a full part in the control and direction of the fund so that it achieves its objectives in disbursement and in the direction of disbursement. This applies to the administration of the African Development Bank and the African Development Fund, which have been seriously criticised, not only in Britain and other donor countries but in Africa. I urge my right hon. Friend to ensure that those criticisms are satisfied in the robust manner in which he is tackling other international institutions, such as UNESCO.

As to the direction of the fund, I wish to raise two matters. The first is Shelter Afrique, which is sponsored by the African Development Bank but which I believe should also enjoy some of the fund's money. It could be used to get some housing projects off the ground, to accommodate the people who are congregating round the towns of Africa but who have nowhere suitable to live. They are developing slums faster than ever, and this is exacerbated by the fact that the African population is increasing at such an enormous rate. That means that we must put concession funds into housing and into creating an infrastructure of proper drainage, water supplies and sewage systems. We must provide the basic facilities on which African people can, with the help of concession funds, buy building materials and build substantial, traditional houses. Those are not the same as in many other countries; they are particularly African and therefore appropriate for the sort of money that the fund can provide.

The resources of the fund must be directed to agriculture, but it must be to smallholder agriculture, the development of co-operatives and finding ways in which they can afford proper marketing arrangements and the inputs to make their agriculture more prosperous, not only to produce food for themselves and for the markets and growing urban populations which they serve but for export, so that they can earn the necessary foreign exchange to acquire advice, fertilisers, herbicides and pesticides. That is not happening on a sufficient scale.

The fund should also be used to assist water supplies, and in bringing clean water to villages. The expertise is available in Britain. Pumping from rivers, it is possible to get 98 per cent. of the bacteria out of the water through filtration methods developed in Britain on a very simple basis. The fund should be used for that purpose, but the disbursement of the fund is not sufficiently fast. I do not believe that there has been as much imagination and drive as there could have been in recent years.

In welcoming the order, I hope that the Minister will take charge and give full support, advice and direction to the fund and to the bank.

1.16 am

Mr. Raison: By leave of the House, Mr. Deputy Speaker, may I say that I am grateful for the welcome

given to the order from all parts of the House. No one could dispute that it is right that it should go forward or that the work of the bank is of considerable importance.

The hon. Member for Vauxhall (Mr. Holland) said, possibly a little predictably, that our contribution is too small. I do not think that that is fair. In the last replenishment our contribution was £24·2 million. This time it is nearly £31 million, and that represents an increase in real terms of 13 per cent. That is a fairly respectable level, particularly bearing in mind the pressure on our programme to maintain our bilateral side as well as to provide adequate funds to the main claims on the multilateral side which are before us. In addition, I do not need to remind the House of the substantial contributions that we are making to the development of agriculture, especially in Africa, in all sorts of other ways.

It is also fair to make the point that Denmark, which the hon. Gentleman quoted as having a good record—I do not deny it—has traditionally used the multilateral side particularly strongly as a means of operating its aid policies. Perhaps it is not surprising that in percentage terms Denmark shows up very well.

It seemed to me, as I suggested in my intervention, that the hon. Gentleman was confusing the bank and the fund. No doubt he would deny that, but the plain fact is the fund is related to the poorest countries. There is not much point in talking about what the bank can do in respect of them, because it is lending money and trying to achieve the kind of return that the World Bank achieves. These are countries which cannot borrow on those terms; they are not strong enough to do so. That is why we have the fund and overall it does a good job in that respect.

Mr. Stuart Holland: The Minister made that point before and I made my reply to it. But if we are looking at lending overall, and not least lending to the least developed countries and some of the poorest countries in the world, it is directly relevant to see what the bank is doing. The bank is offsetting the concessional lending that the fund is making.

Mr. Raison: I am not sure that it is worth pursuing the argument, but an essential point is that the bank lends to countries which in this case are not able to afford to repay and would therefore incur debt problems, whereas the whole merit of the fund is that it is a way of conveying resources to the poorest countries. Let us leave it at that.

The hon. Gentleman and my hon. Friend the Member for Lewisham, East (Mr. Moyniham) mentioned agriculture. The fund has allocated 40 per cent. to agriculture cumulatively over the years and 42 per cent. in 1984. Hon. Members on both sides of the House agree about the crucial importance of agriculture and the need to support it. That is a respectable percentage. It shows that the fund gives agriculture a genuine priority. No doubt that is something that we can continue to discuss in years to come, and we can bring our influence to bear on the bank.

My hon. Friend the Member for Lewisham, East mentioned the slow disbursement of aid. That is a problem not just here, as he said, but in many areas in the totality of aid programmes across the world. There has been some improvement in the rate of disbursement. There was a 24 per cent. ratio of disbursement to commitment at the end of 1981 and by the end of 1984 that had risen to a 30 per cent. ratio. That may not be perfect, but it represents a significant increase.

As I said in my opening remarks, 1984 has been a difficult year, for understandable reasons, but at least matters have been moving in the right direction. We are encouraging all the regional banks to do more co-financing. The African bank attracts official resources, but it has not yet been involved much with the private sector. We should like that, but there are well-known difficulties in Africa for the private sector, but certainly the principle of what my hon. Friend the Member for Lewisham, East said was correct.

My hon. Friend the Member for Hertford and Stortford (Mr. Wells) somewhat qualified his support for the order because of one or two specific points that he made. I have already mentioned control, but we are well represented at the bank and it is in our interest to ensure that it operates as effectively as possible. I undertake that we shall do all that we can to bring that about.

It would perhaps be better if I were to write to my hon. Friend about Shelter Afrique.

I listened to my hon. Friend with considerable interest and sympathy when he talked about the kinds of agriculture that should be supported. He was speaking in very much the same terms as my hon. Friend the Member for Broxtowe (Mr. Lester). It is clearly of paramount importance to try to build up the agriculture of Africa among smallholders, the ordinary peasant farmers and so on. That is not the be all and end all of agriculture, because there are other important aspects, but nevertheless we all feel that that is crucial and fundamental to improving the lot of Africa and lots people. We as an Administration support that, and anything that the bank or fund can do in that direction will have our support.

I thank all hon. Members who contributed to the debate. Once again, I commend the order to the House.

Resolved,

That the draft African Development Fund (Fourth Replenishment) Order, 1985, which was laid before this House on 20th June, be approved.

North Wales (Rail Services)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Sainsbury.]*

1.22 am

Sir Anthony Meyer (Clwyd, North-West): I am grateful to my hon. Friend the Under-Secretary of State for Transport for coming here at this late hour to listen to the debate. I wish to make it plain that I am not setting out to denigrate British Rail. I enjoy travelling with it. The inter-city service which I have used for many years has been, on the whole, clean, fast, comfortable, and remarkably punctual. Much of the tourist trade which is so vital to north Wales continues to arrive by rail, as it has for many generations, and in what is now the second consecutive bad year for the tourist industry we desperately need our trains.

In north Wales, there has, however, been a steady—I do not wish to say dramatic—deterioration in service over the years, not so much in speed, comfort and punctuality as in the convenience of the timetable and the facilities available.

I accept that where trains are not full the railway cannot go on running them indefinitely. Services must be cut to reduce losses. The problem with that process is that it feeds on itself. As services are reduced, fewer and fewer people use them and further cuts are required to reduce the loss and so on. However, it is no necessary part of this dismal downward spiral that facilities also be reduced. My first complaint against British Rail—it is the least that I shall voice tonight — is the extreme reluctance and dilatoriness that it has shown in allowing private caterers to take food and drink trolleys on trains on which it no longer operates an acceptable buffet service. Some headway is at last being made thanks to the efforts and persistence of enterprising individuals, among whom my constituent, Mr. Osbiston of Dyserth was one of the first, if not the first, in the area to offer a most attractive trolley service to British Rail travellers in the region.

I shall not renew my plea that decent rolling stock should be allocated to the north Wales line, although that is a sore point in north Wales. The new Sprinter units are coming in slowly, oh so slowly, to replace the bone rattling diesel multiple units in which it is impossible to read, let alone write and still less to drink a cup of coffee. They are being well received and represent a huge improvement. Nor shall I press for the electrification of the Crewe-Holyhead line, although there is a powerful lobby in north Wales arguing for it. I am not at all sure that it would be a justifiable investment, and the effect on the landscape where the train skirts the coastline would be deplorable.

The essence of a railway service is that it should be reasonably predictable. Hold-ups are, or should be, less frequent than on even the best roads, and journey times are shorter — or were when the trains ran direct from London to north Wales. In the past few years, an increasing number of trains have been routed to north Wales via Birmingham, thus adding three quarters of an hour to the journey time. Instead of running direct to and from north Wales, more and more trains now require a change at Crewe. I have no strong objection to either of those things, provided that there is a reasonable connection at Crewe and no excessive wait.

The main burden of my complaint concerns the effect on services to north Wales of the railway works being carried out at Crewe. I fully accept their necessity. I spent one night a few years ago with British Rail being taken round the signal boxes and junctions at Crewe station. All of my colleagues were as shattered as me at the primitiveness and inadequacy of the equipment, which has to handle the hundreds of trains that pass every day through this immensely complicated station layout. It is clear that the work has to be done, and I do not quarrel with the decision to do it all in one go. I have a serious complaint to make, however, about the period chosen—2 June to 21 July. It is just about the busiest holiday period of the year. Had it been possible to start the work two months earlier, the effect on train passengers—north Wales is still heavily dependent on the railway to bring in tourists—would have been much less.

Once the work started, the trains had to be diverted round Crewe, which has clearly resulted in longer journey times. That is a pity, and might lose us some day trippers, but we have to accept it. The real burden of my complaint is that we in north Wales, and a good many others who are served by Crewe and stations beyond it, do not know what we have to accept. A great deal of time and effort is required to find out, and the answer is quite likely to be wrong.

The remodelling of Crewe station started on 2 June, and had been planned several years ahead. On 13 May, and quite independently of the Crewe operation, British Rail introduced new timetables for the area. They are radically different from the old timetables to which travellers to and from north Wales had become accustomed and for which the convenient pocket timetables, which can readily be found in the Travel Office, were available at all stations along the route.

The new timetables are radically different, but as no new pocket timetables have been issued, it is not too easy to find out about trains. Why on earth have they not been issued? How are intending travellers expected to find out the new times of their trains? British Rail has two suggestions to offer. One is that one should buy its complete timetable, price £3, and far too big to go into an already bulging briefcase, let alone the most capacious of pockets. The other is that one should ring up British Rail inquiries and find out. Has anyone at British Rail ever tried doing that from a pay phone box—if one can find one that is not out of order—with no doors?

British Rail admits that the plan to produce pocket timetables "ran into difficulties" — nothing like the difficulties that passengers are now running into without them. But I suppose that BR would now argue that it would not have been much use printing the new timetables because the Crewe remodelling, which began only three weeks after the new timetables came into force, would have made them inapplicable anyway. In desperation I wrote on 12 June to the manager of the midland region in Birmingham and asked him how I could now get to my constituency by rail. So far I have not had so much as an acknowledgement, let alone a substantive reply.

I have managed to procure a document that purports to be a temporary timetable. It is called a "reissued" timetable, whatever that may mean. It gives the timing of the trains to north Wales during this period. It is illegible to the naked eye of anyone over 40. It has now been supplemented by a batch of scarcely more legible leaflets, each one covering a section of the journey. One is entitled

"Crewe-Chester-North Wales". It is the only one that covers the north Wales stations. It also shows the connecting trains to and from London.

According to that timetable, there are only five trains a day from Rhyl to London, whereas until 12 May there were 14, and there are to be 13 when the remodelling at Crewe is finished. According to the timetable, there is no way to reach Chester from Euston before 12.30 pm or Rhyl before 2 pm. The position for the return journey is very slightly better with six trains, including two morning ones.

As a matter of fact, I do not believe that the situation is as bad as that. Travellers have been spotted on Rhyl station at 11 in the morning who claim to have come from London that same morning. It may be that there are morning trains, but it is just not possible to find out and, as I said, the midland region of British Rail does not answer letters.

I do not criticise British Rail for doing the work at Crewe—it had to be done. I could have wished that it had chosen a time of year less vital to our already hard-pressed tourist trade, a period during which, incidentally, anyone hoping to travel from London by coach to north Wales instead of by train will encounter the horrendous problems on the M1 near Hemel Hempstead during the first fortnight of July.

However, I understand that the work at Crewe must produce extensive changes to the schedule and a lengthening of journey times, but why, oh why does not British Rail take the trouble to get proper timetables printed and have intelligible notices put out well in advance at the railway stations concerned? Travelling by rail from London to north Wales at present is more akin to hitchhiking than travel by any scheduled service.

1.33 am

The Parliamentary Under-Secretary of State for Transport (Mr. David Mitchell): I have listened carefully to what my hon. Friend the Member for Clwyd, North-West (Sir A. Meyer) has said about British Rail's services to north Wales and how they have been affected by the modernisation works at present being undertaken at Crewe—and the failure to produce pocket timetables in good time before timetable changes take effect. I am sure that any of his constituents who have experienced problems will be grateful to my hon. Friend for raising these matters in the House today.

I should like, first of all, to explain why British Rail has decided to carry out this major work at Crewe, what the work involves and why it has chosen to do it now. First, why carry out the work? As my hon. Friend said the signalling at Crewe—most of which dates back to 1938—has reached the end of its useful life. Signal failures became more frequent and BR concluded that early action was needed to prevent the old equipment from becoming a serious hindrance to service reliability and ultimately a safety hazard. BR decided that if it had to replace the signalling it would make sense to take the opportunity to modernise the track layout in the station area at the same time. After all, the tracks had been designed to cope with steam operation. They were complex and unwieldy and could not effectively handle the needs of today's modern railway. The opportunity to bring this up to date and simplify it was too good to miss.

When the work is completed, Crewe will be well equipped to handle present-day traffic requirements. Briefly summarised, the work will mean that one new signal box will replace six old ones; trains will be able to pass through the station at 80 mph instead of 20 to 30 mph, and stopping trains calling at the station will also be able to move more rapidly; the reduction in the number of points and crossovers, from 285 to 110 will mean lower costs and better reliability; new passenger facilities will be incorporated in the station and will include lounges, waiting rooms, buffet, bookstall and toilets with provision for the disabled; two lifts will be installed for use by disabled passengers; certain platforms will be extended to accommodate larger trains; and 47 visual display screens will give passengers full service information.

The end result will be a faster, more efficient and reliable service for BR's customers, who will also have the benefit of a greatly improved station environment at Crewe. BR will have simplified a vastly complex junction, making it cheaper to operate and maintain.

But the old adage "One cannot make an omelette without breaking eggs" applies in this case. The work that BR is undertaking at Crewe cannot be done without some temporary disruption of the normal train services. Having considered the impact that the work would have on its customers, British Rail decided to tackle the programme in three phases. Phase I, which I am glad to say has been completed, consisted of the work that could be done without serious disruption to services. This included the new signal box, signalling renewals, platform alterations, building refurbishment, preliminary track works, overhead line foundations and the removal of the present overhead power lines. Phase II covers the shutdown of Crewe for a seven-week period from 2 June to 21 July, when the new tracks and overhead equipment will be installed. This work cannot be carried out without inflicting serious disruption to services. The third phase, planned for July to October this year, covers work which cannot be carried out until the first two phases are completed, and will involve final adjustments to the overhead line equipment and the new track. Services will not be affected during the third phase.

I know that the aspect which principally concerns my hon. Friend this evening is the virtual shutdown, during a seven-week period, of Crewe station. There is no doubt that BR has taken a radical step in tackling the scheme in this way, but BR believes that by concentrating the phase into a short period, rather than spreading it over weekends — as is the normal procedure for such works — inconvenience to passengers and disruption to normal rail services will be kept to a minimum. If the work were undertaken during weekends, passengers would face delays and diversions at weekends which could last for up to four years. The quicker the work is completed, the sooner passengers will benefit from it.

By concentrating the works, BR is providing its engineers with a more cost-effective and efficient way of handling its permanent way staff and machinery. Machinery is being intensively worked for seven weeks, instead of standing at the trackside for five days out of seven. Engineering staff resources can be concentrated on Crewe for the seven weeks and the engineers can get straight on with the job, instead of having to spend some of each weekend making good for normal running the next day. In all, BR expects to save about £1 million by tackling phase II during this seven week period.

Some people might ask as my hon. Friend has, why, if the work has to be carried out in one tranche, BR is doing it in the summer, when people are travelling and the

[Mr. David Mitchell]

inconvenience caused is greater than it might otherwise be. BR had deliberately timed the shutdown to coincide with the time of the year when the weather is, or should be, at its best and daylight at its maximum. Both the spring bank holiday and the main summer holiday period have thus been avoided. I am glad to be able to assure my hon. Friend that phase II is proceeding well, and BR expects to complete it on schedule.

BR has, of course, made alternative arrangements while Crewe station is closed. I am sure that my hon. Friend will understand if I do not give the full details. In summary, inter-city services continue to travel through Crewe with little effect on their scheduled timings and there are a number of special replacement bus and coach services from rail locations to Crewe and special rail shuttle services between Crewe and Chester and Stafford.

As for the north Wales services, to which my hon. Friend has understandably drawn attention, in the present timetable, as in the 1984 timetable, there are six through services each day from London to north Wales and a further nine services each day from London to Crewe enabling connections to be made to north Wales. The only change is that most of the through services are now quicker than they were in 1984.

Under the temporary arrangements during phase II, the six through services remain. In addition, there are four services on which connections can be made to north Wales with one change at Stafford and a further four services involving changes at both Stafford and Crewe. So of the nine daily services enabling connections to be made to north Wales eight are operating during phase II.

In the opposite direction there are six through services, all of which remain during the temporary work, but of the 10 connecting services in the 1985 timetable only six are operating during the phase II work at Crewe, one involving a change at Stafford and five involving changes at Stafford and Crewe. I understand that journey times for passengers travelling on through trains or changing only at Stafford have been increased by about 10 minutes. The worst affected are those making two changes. For the seven weeks of phase II their journeys will take on average an hour longer because BR cannot provide good scheduled connections for people making those changes while all services are temporarily disrupted by the work.

BR recognises that the level of service performance during the first week of the Crewe shutdown was less than satisfactory and I convey BR's apologies to my hon. Friend for that. The temporary arrangements have now bedded down and I understand that the situation is somewhat improved. BR is well aware of the problems that passengers face and the inconvenience caused by the delays. It is constantly striving to improve matters, although we must all recognise that during this period it is impossible completely to maintain acceptable standards of punctuality.

My hon. Friend asked whether it was possible to get to Chester or north Wales in the morning and referred in an amusing aside to someone whom he had seen on the platform. If my hon. Friend is going to his constituency, he can catch the 6.50 am train from Euston arriving at Chester at 10.10, Rhyl at 10.54, Colwyn bay at 11.8 and Holyhead at 12.10. During the phase II work at Crewe the journey will take about 10 minutes longer. If my hon. Friend does not wish to get up quite so early, there are other connections to Rhyl and Colwyn bay from Euston at 7.50 am and 8.55 am arriving at Rhyl at 11.31 and 12.22 respectively.

Sir Anthony Meyer: I am glad to hear that, but perhaps my hon. Friend will point out to BR that although those trains exist they do not appear in the only timetable covering services to north Wales.

Mr. Mitchell: I am sorry to hear that they are not in the timetable available to my hon. Friend. I have another timetable here which may be of help to him. I take his point about the timetables and I shall deal with that in a moment. I would wish to draw my hon. Friend's points to the attention of British Rail. They are matters for the board, and I understand that my hon. Friend has already put his points direct to British Rail. I have seen a copy of his letter and the reply that has been sent to him. I am sorry that it has not yet reached him, but perhaps he can raise that point with services other than British Rail. I hope that the response will lessen his concern and that he will forgive me if I do not repeat the points that he will find in that letter.

I am, however, entirely at one with my hon. Friend in his concern that new timetables should be made available in good time for travellers to see how any revised timings may affect their trains. I was pleased to see that British Rail produced its main timetable, together with a special supplement giving details of certain services that will alter due to the Crewe modernisation works, on 29 March—six weeks before the new timetable came into operation. I believe that British Rail sent copies of that timetable to all hon. Members in the north Wales area.

The question of pocket, or local, timetables is left to British Rail's regional managers. That is where my hon. Friend identified a particular problem. I understand that the London Midland region, whose rail services are the subject of this debate, did not issue the full range of pocket timetables this year. The main reason was the move earlier this year of London Midland region staff from London to new offices at Birmingham and the fact that many staff involved in timetabling preparations opted not to make the move to Birmingham. British Rail hopes that next year it will be able to produce the full range of pocket timetables.

My hon. Friend also drew attention to the size of print of these timetables. While I was waiting for the early hours of the morning to reach this point, I peered at them. I recognise the difficulty that my hon. Friend raises. I shall also draw that to the attention of the appropriate part of the British Rail organisation.

Although London Midland region did not produce a pocket timetable for the north Wales line, I understand that Gwynedd county council published its own pocket version, which was available to passengers. I am sorry that my hon. Friend did not receive one.

My hon. Friend drew attention to the improvement in catering from private services and asked for more progress. I shall raise this with the chairman of British Rail, whom I hope to see later this week. I recognise, as I am sure my hon. Friend does, that anything that improves the attractiveness of the services provided by British Rail, including the provision of better catering services, helps to attract and hold more passengers. That is to the benefit of the whole of British Rail and those who work for it. Indeed, I recently heard high praise for some of the private trolley operations that have been provided on some of the services in north Wales.

I believe that my hon. Friend has also told British Rail that he has had difficulty in getting responses to telephone inquiries for information about the times of trains. I know that it can be frustrating when the ringing tone seems to last for ever, but British Rail tries to answer most calls within 30 seconds. Most of its telephone inquiry bureaux are already equipped with a call queueing system which stores incoming calls in sequence so that each inquiry is answered in strict rotation. The Llandudno Junction and Chester bureaux already have such systems, but with the present works at Crewe these bureaux are handling considerably more calls than usual. I am sure my hon. Friend will be pleased to know that British Rail is developing proposals to increase the staff and reorganise the office at the Chester bureau. It has also recently installed monitoring equipment at the Llandudno Junction bureau and plans to increase the number of staff on a temporary basis to cover the summer period.

This year's normal timetable shows the same level of Inter-City service on the north Wales line as last year. That is six trains each way a day, and in most cases journey times are reduced. Southbound trains are nearly half an hour quicker and northbound trains nearly a quarter of an hour quicker. British Rail has also introduced a new through service between north and south Wales. Overall, therefore, the prospects for these north Wales services, once the Crewe modernisation is complete, look rather bright.

I hope that my hon. Friend will take some confidence from that fact. Meanwhile, I have undertaken to draw the points that he has made to the attention of British Rail. I am sure that his constituents will feel that they have been well served by him at this hour of the morning, when he has raised these matters on their behalf.

Question put and agreed to.

Adjourned accordingly at eleven minutes to Two o'clock.

House of Commons

Tuesday 2 July 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

ROYAL HOLLOWAY AND BEDFORD NEW COLLEGE BILL *[Lords]*
Read the Third time and passed, with amendments.

CLWYD COUNTY COUNCIL BILL *[Lords]*
Read a Second time, and committed.

BRITISH RAILWAYS (TROWSE BRIDGE) BILL *(By Order)*

YORKSHIRE WATER AUTHORITY BILL *(By Order)*

BERKSHIRE BILL *[Lords] (By Order)*
Orders for Second Reading read.
To be read a Second time upon Thursday 4 July.

Oral Answers to Questions

DEFENCE

Fleet Air Arm

1. **Mr. Randall** asked the Secretary of State for Defence if he will make a statement concerning Fleet Air Arm manning.

The Parliamentary Under-Secretary of State for Defence Procurement (Mr. John Lee): Recruiting problems coupled with the duration of training have created shortages in some areas, but steps are being taken to overcome deficiencies.

Mr. Randall: How much time will front-line air and ground crews spend with their families under the Government's lunatic cost-cutting programme, which is resulting in each of our aircraft carriers not being fully equipped with their own aircraft and manpower—[HON. MEMBERS: "Reading."]

Mr. Speaker: Order. The hon. Gentleman is not reading; he is referring to his notes.

Mr. Randall: I am not sure whether I should start again, Mr. Speaker.

Is the Minister aware that a similar scheme was tried about 20 years ago, which resulted in a sharp increase in voluntary resignations? What level of manpower wastage does he expect from this policy, and what will it mean in money terms?

Mr. Lee: We are operating a policy of having two carriers fully operational at any one time, and there will be two air groups. We believe that position to be satisfactory. Overall, we have about 40 Sea Harriers in service or on order.

Mr. O'Neill: But is it not the case that we have three aircraft carriers and two crews and are awaiting 23 aircraft to come on stream? Until that happens, there will be problems with the use of any back-up force and difficulties such as we saw during the Falklands war.

Will the Minister assure us that the problems that confront that section of the Fleet Air Arm will be alleviated quickly so that morale does not plummet further?

Mr. Lee: I assure the hon. Gentleman that the air groups are needed only on operational carriers. In times of tension, training and reserve personnel and aircraft will be fully utilised.

If the hon. Gentleman looks back to the period of the last Labour Administration, he will see that during 1977-78 more than 50 per cent. of Fleet Air Arm pilots chose to leave mid-way through their trained service at their first opportunity, primarily on pay grounds.

Mr. Viggers: Does my hon. Friend agree that Fleet Air Arm personnel are highly skilled and highly trained? Does it not take some years to build up those skills? Is it not an unfortunate experience to see the Opposition trying to leap on the bandwagon by claiming that the skills are not currently available?

Mr. Lee: My hon. Friend is absolutely right. It takes about four years to train a Sea Harrier pilot, at a cost of about £2·8 million. We are taking a number of measures to improve the position. Recruiting to the Fleet Air Arm has been increased substantially, training capacity expanded, wastage reduced and the methods of pilot training are being studied.

Exercise Lean Look

3. **Mr. Evennett** asked the Secretary of State for Defence what representations his Department has received since the publication of Exercise Lean Look.

The Minister of State for the Armed Forces (Mr. John Stanley): My Department has received two letters.

Mr. Evennett: I thank my right hon. Friend for his response. Does he agree that taxpayers are delighted with the Exercise Lean Look approach, not only because it is a more efficient use of resources, but because it allows the armed forces to do the job that they are properly entitled to do?

Mr. Stanley: I am grateful to my hon. Friend. We share his pleasure at the success of Exercise Lean Look. It is having the desirable effect of enabling the Army to make a transfer of some 4,000 men in the support area to the front line, with a significant increase in front-line operational capability as a result.

Mr. Dickens: I am not certain whether I am qualified to ask a question on Exercise Lean Look. However, does my right hon. Friend agree that a soldier, whether he is serving in the cookhouse, or the transport or fire departments, is a trained soldier, and that if some of those jobs can be done by private enterprise it is sheer common sense to release those men so that they may be used for what they were trained for—to fight?

Mr. Stanley: I am sure that my hon. Friend is fully qualified to ask questions on all subjects, not least Lean

Look. I assure him that we take the view that he does. It must be sensible to release the maximum number of trained service manpower to do the essential jobs which only they can do in the front line.

Trident

4. **Mr. Tom Clarke** asked the Secretary of State for Defence what recent representations he has received from Scotland about future commitment to the Trident programme.

Mr. Stanley: Since the beginning of 1985 the Government have received from Scotland on the general subject of Trident 23 letters, including one petition, and a number of postcards.

Mr. Clarke: Will the Minister add to those the strong objections from my constituents at Glenboig, who do not want asbestos from Faslane dumped in their village? Will he consider also the important views recently expressed by Lord Carver, when he described the project as representing illusions of nuclear grandeur? Will the right hon. Gentleman therefore justify the Government's obsession with such a project?

Mr. Stanley: We do not agree with Lord Carver on this subject. With regard to the hon. Gentleman's constituency point, I am sure that he has now received the letter which the Parliamentary Under-Secretary of State for the Environment, my hon. Friend the Member for Ealing, Acton (Sir G. Young), sent him a few days ago, in which he said that, as a result of further scientific evaluation of the asbestos problem at Faslane, it looks as if we shall now be able to avoid using the Glenboig tip in the hon. Gentleman's constituency.

Sir Hector Monro: Has my right hon. Friend investigated the likely effects of a Labour party non-nuclear defence policy? Does he accept that about 50,000 jobs could be lost in Scotland if it were implemented?

Mr. Stanley: My hon. Friend is entirely correct. Apart from the significant employment implication of the Labour party's defence policy, not least in relation to the Trident programme, there are the significant and wider defence implications. We feel that it would be wrong on both national and NATO grounds for this country to go down the path of one-sided disarmament, which is the Labour party's policy.

Mr. Ron Brown: Is not the Trident programme unacceptable in this country by all normal standards, bearing in mind that it represents overkill, overprice and, shortly, it will be over here?

Mr. Stanley: I do not understand why the hon. Gentleman thinks that it is an unacceptable policy. It is the continuation of a policy that was followed by successive Labour Governments whom he presumably supported.

Mr. Bill Walker: Is my right hon. Friend aware that my hon. Friend the Member for Fife, North-East (Mr. Henderson) and I recently had a meeting with the shop stewards from Rosyth as well as from Babcock Power, all of whom stated clearly that their interest in the Trident programme is that it secures their jobs for a long period?

Mr. Stanley: My hon. Friend is entirely correct. I know that it is very much welcomed in Scotland, not least in the Rosyth area, that we have made an undertaking for the refitting of SSBNs to be continued in that dockyard. The ending of that cycle of major refitting work would have some profound implications in that locality.

Mr. O'Neill: Is the Minister aware of the position in Rosyth dockyard, where the union has withdrawn co-operation because of its disgust at the way in which the privatisation scheme is being handled? Is he aware that the future of the dockyard is being jeopardised by the Government's hamfisted approach to consultation? Is he aware that the union wants the procedure extended?

Mr. Stanley: There is absolutely no basis for saying that the future of that dockyard is being jeopardised by our proposal on dockyards. What would jeopardise it in no uncertain way would be the ending of the refitting work on the deterrent, which is likely to extend over 20 years and more.

Moscow Missile Defence System

5. **Mr. Leigh** asked the Secretary of State for Defence what information he has on the upgrading of the Moscow missile defence system and if he will make a statement.

The Secretary of State for Defence (Mr. Michael Heseltine): A programme to improve the Moscow anti-ballistic missile system has been under way since 1980. It is expected that when completed the new system will comprise an improved force of 100 launchers and associated radars for location, tracking and engagement of targets. This will provide a two-layer defence system for Moscow with long and short-range interceptor missiles to engage targets both outside and within the atmosphere.

Mr. Leigh: Will my right hon. Friend confirm that notwithstanding the fact that the Soviet Union is upgrading the system with 100 accountable launchers and a new radar station at Pushkino, it still appears to be within the ABM treaty? Given Mr. Paul Nitze's remarks that it will have a ground-based launched laser this decade, the upgrading points to the urgent need for the USA to maintain research into SDI and a modernisation programme.

Mr. Heseltine: My hon. Friend, who has studied the matter, is well-informed. It is obvious that the Soviet Union has been indulging for some years in the research of technologies associated with strategic defence. Therefore, it is wise for the Americans to be so involved. I also confirm that the updating of the ABM system around Moscow is within the ABM treaty. Of course, as my right hon. Friend the Prime Minister in her recent meeting with the President confirmed, both Governments believe that any future development within this critical area should be within the ABM treaty.

Mr. Norman Atkinson: Does the Secretary of State agree that if the Moscow star wars policy enjoys the same success as the Reagan star wars policy has achieved, that will render Trident unviable?

Mr. Heseltine: Our view is that within the lifetime foreseen for the Trident missile the defences of the Soviet Union will not be adequate to remove its deterrent capability.

Mr. Wilkinson: Does my right hon. Friend agree that not only are the Soviets improving point defences around Moscow, but are increasing the offensive capability, notably with the deployment of the new ICBM SS25 and

the construction of new SS20 bases? Would it not therefore be prudent and right for the alliance to concert its efforts to provide a measure of defence against this awesome defensive capability?

Mr. Heseltine: My hon. Friend, who understands the matter clearly, is right. However, the situation is even worse, because the Soviet Union is increasing its offensive capability on a nuclear, chemical and conventional scale.

Mr. Denzil Davies: Does the Secretary of State agree with the recent speech of the Foreign Secretary when he expressed substantial reservations and criticisms of the star wars project, or does he agree with President Reagan that nuclear weapons should be made obsolete? Does he not agree that President Reagan's speech has turned upside down the whole theory on deterrence in Europe?

Mr. Heseltine: The Labour party is always calling for wider debate. When it gets it, it seems to be equally dissatisfied. The President has raised fundamental issues about the development of weapons systems and their capabilities and the relationship of defensive and offensive systems. I would have thought that debate was healthy. The President has also made it clear that he believes that the development of any SDI programme would have to be within the framework of the ABM treaty. That is also our view.

Trident

6. **Mr. Hirst** asked the Secretary of State for Defence if he will estimate the value of work which will accrue to British contractors from the Trident programme; and if he will make a statement.

The Minister of State for Defence Procurement (Mr. Adam Butler): Approximately 55 per cent., or over £5,100 million by value, of the latest estimated total cost of Trident will be spent in the United Kingdom. In addition, a number of British companies are competing for work on the United States Trident II programme. To date, 104 contracts, at a value of over $37 million, have been placed with 43 United Kingdom firms. Many of these subcontracts are for initial quantities, with the potential for follow-on orders.

Mr. Hirst: I am grateful to my right hon. Friend for that reply. Does he agree that it confirms that, whatever one's views on nuclear weapons, the reality is that defence expenditure means lots of jobs for Britain and that those who seek to slash that expenditure would imperil not just national security but deny vital jobs in an industry that is crucial for Britain?

Mr. Butler: I entirely agree with my hon. Friend. Perhaps I may add just one statistic to those that my right hon. Friend gave. In terms of direct and indirect jobs, the Trident programme will provide about 300,000 man years of work.

Mr. Campbell-Savours: If work does accrue, what safeguards are there against overcharging by contractors, such as Aish and Company? Has the Minister been following that case, in which a Mr. Jim Smith was sacked when he revealed overcharging on defence contracts amounting to £400,000? Are not the Government indebted to men like him, who have laid themselves on the line on a point of principle?

Mr. Butler: I am sure that the House would not wish me to comment on the case of the individual to whom the hon. Gentleman has referred. As to keeping costs under control, we have made very clear the effectiveness of our competition policy in keeping costs down and saving substantial sums of money. If that can be applied to the Trident programme, it will be.

Mr. Hayes: As the Liberal party and the Social Democratic party are desperately trying to paper over their major divisions on defence policy, does my right hon. Friend agree that their recent proposal of a collaboration with the French on a nuclear deterrent would mean a loss of jobs for workers in this country?

Mr. Butler: I find it difficult to discover exactly what the SDP and Liberal party actually do believe on this issue. When I listen to the right hon. Member for Plymouth, Devonport (Dr. Owen) and hear him advance the sort of proposals to which my hon. Friend has referred — indeed, suggesting that instead of Trident we should go for cruise missiles—I know that he is going for something that would be less effective and much more costly.

Mr. Denzil Davies: Will not the agreement with the Americans to buy Trident be financially disastrous for Britain? We spend £4,500 million in the United States, yet the Americans spend a mere pittance in Britain. Why are the Government persevering — when they are so concerned with public expenditure — with this financial extravagance when they are cutting back on the Health Service, local government services and the welfare state?

Mr. Butler: The right hon. Gentleman knows that the NHS has never been in better hands. We are spending very much more in real terms than any previous Government. The same applies to the defence programme. We are spending approximately one fifth more in real terms on defence than was spent under the previous Labour Government, and it is because of that that we are able to afford the systems to which the right hon. Gentleman has referred.

Identification Friend or Foe

7. **Mr. McNamara** asked the Secretary of State for Defence what progress has been made towards harmonising the North Atlantic Treaty Organisation's identification friend or foe.

Mr. Butler: The recently announced agreement between the United States and German authorities represents considerable progress towards a future NATO identification system. It is hoped that final agreement on outstanding points of technical detail will be reached by the autumn.

Mr. McNamara: It is welcome news to know that we have made some progress in that direction. What proportion of any work on the new IFF will be done in the United Kingdom, and what will this contract mean in terms of the two-way street between Europe and America?

Mr. Butler: I am not able to give the hon. Gentleman the details for which he has asked. However, I am glad that he welcomes this progress, because it is absolutely essential that we have a common system that operates throughout NATO, particularly in Europe. The progress that has now been made in this direction is most welcome.

Mr. Alexander: Is not the problem with updating and standardising the IFF equipment the fact that the West Germans, the Americans and ourselves all believe that our own respective systems are the best? Would it not be possible to get experts from the NATO countries who are not so involved to come together to make an independent assessment of which is the best?

Mr. Butler: The progress to which I have referred was important in that the Germans have now agreed to use the D-band, and that is where the difficulty arose. The exact details of that must now be worked out. If that can be done, we can go forward on the basis of a D-band plus radar mode.

Chemical Warfare

8. **Mr. Douglas** asked the Secretary of State for Defence if he will make a statement on the preparedness of United Kingdom forces within the North Atlantic Treaty Organisation to withstand chemical warfare attacks.

Mr. Heseltine: In the light of the formidable Soviet offensive chemical weapon capability, we afford a high priority to protective and defensive measures for our armed forces against chemical attack, and to training service men in their use. We keep our defensive measures under review in the light of the threat. A new respirator, new protective clothing and new detection and warning equipment for our service men are being brought into service.

Mr. Douglas: Does the Secretary of State not consider that the presence of Soviet chemical weapons and the fact that the United States seems to be gearing up with binary weapons reflects a situation of the most severe awareness and acuteness in terms of possible operations in the European theatre? What view does he take of the threat and of the fact that NATO seems to be mounting opposition in the most aggressive fashion? Can we not try to reach an agreement between NATO and the Warsaw pact countries for a complete ban on chemical weapons?

Mr. Heseltine: The hon. Gentleman is supporting a policy which this Government have been energetically pursuing. The difficulty is that the Soviet Union has 300,000 tonnes of chemical agent, which is far in excess of any defensive capability that it needs. The Russians train aggressively with it, modernise it and keep it up to date. Whereas Britain has made a one-sided gesture by getting rid of its chemical capability, the Soviet Union has gone in precisely the other direction. We are still pursuing the primary objective of a negotiated arms control arrangement, but it takes two to reach such an agreement. The Soviet Union has been singularly unforthcoming.

Mr. Wiggin: Is it not a fact that if the policy of deterrence, which the Conservative party unanimously supports, is carried to its logical conclusion we must, in order to deter the Russians from continuing to hold these disgusting chemical stocks, regretfully build up some of our own?

Mr. Heseltine: There is logic in my hon. Friend's question, and it is this logic that has led to renewed interest in this debate in the United States of America. We are still trying to persuade the Soviet Union that the best possible way forward is by negotiation. However, one cannot go on for ever trying to negotiate with people who modernise their capabilities.

Mr. Boyes: To reduce the likelihood of chemical warfare, does the Secretary of State agree that it would be better if the Government continued to oppose the deployment of the "Big Eye" bomb, the 155 mm chemical shell, or any other chemical weapon by the United States forces, or those of any NATO country? Is it not a fact that the United States already has chemical warfare facilities in Europe?

Mr. Heseltine: The Americans have an aging capability. The question is whether they should allow that capability to become so out of date as to have no deterrent capability while the Soviets constantly modernise and increase their stocks. The intriguing question is from where the Opposition think the real threat to the peace and security of western Europe comes.

Mr. Key: Is my right hon. Friend aware that all the items of our chemical defensive capability that he has listed are made at Porton Down in my constituency? Does he agree that a higher priority should be given to the provision of a defensive capability for our front-line troops?

Mr. Heseltine: I hope my hon. Friend will accept that we are giving very high priority to the defensive capability. That is why I listed the systems that are being introduced. There is no question but that this is overdue and necessary and that we attach very great importance to it. The issue is whether one encourages and supports the United States over the potential modernisation of its aging capability. By far and away the best way forward is to reach an arms control arrangement whereby these weapons are removed. That is what we wish to happen, and that is what we are trying to do. My right hon. and learned Friend the Foreign Secretary and his colleagues have put great energy behind that endeavour. The question is how long one can go on trying to persuade the Soviet Union to reach arms control arrangements when it will not come to such arrangements but constantly increases its offensive capability.

Mr. Flannery: Is it not a fact that the only nation to use chemical weapons on a massive scale has been America in Vietnam? It defoliated over one third of that country, and it has not recovered to this day from that defoliation. Can we not use our prestige to try to bring America and Russia together in some way? We should also tell the truth about America's use of chemical warfare in Vietnam.

Mr. Heseltine: The hon. Gentleman must realise that the threat that this country faces comes from the existence of an increasing Soviet capability. That is the issue that a Secretary of State for Defence must address. It is no use saying that the Americans are behaving in some way reprehensibly, when they are not at the moment developing their offensive capability but are trying to secure arms control negotiations. The Opposition must address themselves to the point at which they are prepared to abdicate their responsibility as politicians potentially in government and risk the lives of those in the front line who might defend us.

Mr. Neil Thorne: If it is proved that the wearing of nuclear and biological kit by our service men reduces their efficiency to no more than 40 per cent., does that mean

that we would require two and a half times the force level of the Soviet bloc if we were to take it on on equal terms, ignoring the benefit of the nuclear umbrella?

Mr. Heseltine: My hon. Friend asks an interesting question. The follow-through, however, is unrealistic, because we have other means of deterrence to secure the peace. We cannot envisage a simple exchange on a nuclear level. The issue that we must address is clear—how we persuade the Soviets to reach arms control agreements with us that will avoid the development of a western chemical capability.

Mr. McNamara: The first point of the Secretary of State's statement that our troops will have the best equipment available will be welcomed on both sides of the House. We support further research into that method of ensuring the safety of our troops. We also support the vigorous action that has been taken by Her Majesty's Government on a chemical warfare treaty, but upon which point of verification have those negotiations broken down? Was it not the Americans who drew back at the last minute?

Mr. Heseltine: No, Mr. Speaker. The Americans have made one of the most generous and comprehensive offers of complete openness, which could provide a way forward. Both sides have not yet reached an agreement. We constantly try to put forward new initiatives. There is no question but that the Government are playing an energetic role. The problem will not go away. If we do not succeed in reaching such an agreement, there is then an obligation placed on those responsible for the freedom and defence of the west to address the fact that the Soviets are not just failing to negotiate, they are modernising and enhancing their aggressive capabilities.

Defence Ministers (Meeting)

9. **Mr. Robert Atkins** asked the Secretary of State for Defence if he will make a statement on the outcome of the European Defence Ministers' meeting in London on 17 and 18 June.

Mr. Heseltine: I and my ministerial colleagues from the independent European programme group met to review progress and to direct further action on the initiatives aimed at improving armaments co-operation which we launched in the Hague last November. Our talks were very constructive. I have placed a copy of our communiqué in the Library. In the margins of the IEPG meeting Defence Ministers concerned with the European fighter aircraft held further discussions to review progress.

Mr. Atkins: I thank my right hon. Friend for that answer. Is he aware that there is an air of cautious optimism in the British aersopace industry over the likelihood of the European fighter aircraft going ahead? It is heartened by his firm stance in those discussions. Does he also recognise that a decision, preferably with the French, but, if necessary, without them, must be taken on 22 July if we are to ensure that that project goes ahead?

Mr. Heseltine: I am most grateful to my hon. Friend for his helpful observations. From the beginning of the discussion, the view has clearly been that we needed to reach an early decision, and the energy of all Ministers involved at the moment is devoted to trying to reach a collaborative agreement involving five nations, but of course, there comes a time when decisions must be taken.

Mr. Carter-Jones: Is the right hon. Gentleman aware that right hon. and hon. Members on both sides of the House have been raising that matter for over three years? Is he aware that there is anxiety in the country that delay in making decisions might mark him out as the Minister who failed to provide a proper, adequate fighter for the British people in 1990?

Mr. Heseltine: I think that I understand why the hon. Gentleman feels it necessary to make that remark, but it does not accord with the advice given to me within the Ministry. There has been no pressure to reach an earlier decision on this matter. Production and loading programmes and employment prospects are, of course, as well known to the Government as they are to the Opposition. They are not prejudiced by the time scale upon which we are currently embarked.

Mr. Stern: Is my right hon. Friend aware that the cautious optimism in his remarks regarding the European fighter aircraft will be very welcome in large parts of the British aerospace industry? Will he confirm that it is the view of the Government that a solution to this problem which involved French leadership in design and manufacture, and therefore French leadership of the future of the European fighter industry, would be unacceptable to him and to the Government?

Mr. Heseltine: I am grateful to my hon. Friend, because all Ministers from the five countries are bound to be asked that very question in their own countries. The basis upon which we have sought to reach agreement is that there cannot be a winner and there cannot be a loser in any agreement that is reached. That is understood by all Ministers, who have very similar political problems to the ones that I have.

Mr. Denzil Davies: In view of the delay that has taken place, can the Secretary of State at least give an assurance that a decision one way or the other will be taken on 22 July? If it is not possible, for all sorts of reasons, to reach agreement with the French, will he make it clear that we will go ahead as part of another consortium, without the French? If that is not possible, will he now, for the first time, make it clear to the other partners that Britain will build its own fighter, which is so important for the Royal Air Force and the defence industries in this country?

Mr. Heseltine: The right hon. Gentleman can rest assured that I made that clear to my partners when I began these discussions nearly two years ago. Of course, everybody knows that there is a perfectly viable British alternative which we could pursue. We have made that absolutely clear. It was one of the first things stated when we opened the negotiations. But it is not my purpose to try to indicate a range of other alternatives while we are seeking agreement on the collaborative venture which is on the table.

Cruise Missiles

10. **Mr. Nellist** asked the Secretary of State for Defence how many cruise missiles are presently stationed on the British mainland.

Mr. Stanley: I refer the hon. Member to paragraph 27 of volume I of the "Statement on the Defence Estimates 1985".

Mr. Nellist: Has the Minister any idea of the number contained in the paragraph he has mentioned, the attendant

costs of those cruise missiles stationed on the British mainland and the feelings among this generation of young people—*[Interruption.]*—when, on the one hand, they see the amount of money that is spent on cruise missiles, while, on the other hand, they live in a country where millions are denied the right to work and in a world where hundreds of millions are denied the right to food? Is that not a clear indication of the crazy priorities of the capitalist system?

Mr. Stanley: If the hon. Gentleman refers to the Statement on the Defence Estimates he will note that three flights of ground-launched cruise missiles have now been deployed in the United Kingdom—48 missiles. On his wider remarks, I remind him that the INF deployment by NATO is in response to a very serious offensive threat by the Soviet Union. By way of perspective on the figures I have just given him, I remind him that at the end of 1979 the number of SS20 warheads facing western Europe was 243 and by the end of last year it had risen to 729.

Sir Anthony Grant: Is my right hon. Friend aware that, in view of the Soviet nuclear position on SS20s, the majority of this generation are very relieved that Her Majesty's Government have decided to locate cruise missiles in this country? Is he satisfied with the security of the location of these missiles, and in particular is he satisfied that the amenities of residents in the area will be properly safeguarded in view of the fact that some county councils, such as Cambridgeshire, where the Liberals are in control, seem to have lost their nerve on this issue?

Mr. Stanley: I am not surprised that my hon. Friend says that Liberal councillors have lost their nerve, and Cambridgeshire is not the only place in which that has happened. As to security, all the normal security arrangements take place and people are very highly protected, particularly in the most secure areas. I entirely agree with the earlier remarks of my hon. Friend, which I am sure reflect the views of the great majority of people in the country.

NATO (Manoeuvres)

11. **Mr. James Lamond** asked the Secretary of State for Defence how many representatives of Warsaw pact states have attended as observers at North Atlantic Treaty Organisation manoeuvres since the signing of the Helsinki Final Act.

Mr. Stanley: Invitations to attend exercises in accordance with the provisions of the Helsinki Final Act are issued on a bilateral basis, and consolidated information relating to all NATO countries is not available centrally.

Mr. Lamond: As we have sent only three observers during the 10 years since the signing of the Helsinki Final Act and none at all since 1979, is there any point in causing problems and difficulties at the talks in Stockholm by insisting that these voluntary agreements should become mandatory?

Mr. Stanley: The hon. Gentleman has raised a very interesting point. He asks why Britain and other nations have not sent more observers to the Warsaw pact exercises since 1979. Since 1980, NATO has carried out 15 major manoeuvres and has invited Warsaw pact observers to every one. In contrast, the Warsaw pact has notified us of nine such manoeuvres and since 1979 has extended not one invitation to us.

Mr. Wilkinson: Will my right hon. Friend tell the House how the British Forces Mission to Soviet forces in East Germany is operating? There have been disquieting reports of harassment of our military personnel in East Germany. Recently, one contingent was attacked in the course of its duties. My right hon. Fried will recall that some French officers were driven off the road and that Major Nicholson of the United States forces, who was in a similar position, was shot. Can my right hon. Friend tell me more about this matter?

Mr. Stanley: I am familiar, of course, with the instance relating to the British Forces Mission to which my hon. Friend referred. As with the American case, we deplore any attempts to create harassment or worse for those members carrying out their mission responsibilities under the quadripartite agreement. We continue to ensure that our mission carries out its duties properly and responsibly.

General Charles Dalton

12. **Mrs. Clwyd** asked the Secretary of State for Defence how many meetings he has had with General Charles Dalton, United States Chief of Staff, at SHAPE in the last 12 months.

Mr. Heseltine: None, Sir.

Mrs. Clwyd: Is the right hon. Gentleman aware of the threat made by General Dalton during a visit on 3 June to SHAPE headquarters by eight Members of Parliament, when he said that a future British Government would not be able to determine their own defence priorities without the threat of economic sanctions being imposed by a United States Government? How seriously does the right hon. Gentleman take this threat against our national sovereignty?

Mr. Heseltine: These remarks are purported to have been made during a visit by the parliamentary Labour party defence committee. Confronted with that galère, any American general could be forgiven for almost any observation.

Westland Helicopters

13. **Mr. Heathcoat-Amory** asked the Secretary of State for Defence if there is any delay in the purchase of Westland plc helicopters by the forces.

Mr. Butler: No, Sir. In the last three months we have placed new helicopter orders with the company against identified requirements for nine Sea Kings and five Lynx worth a total of about £35 million.

Mr. Heathcoat-Amory: Is my right hon. Friend aware that the British Army's sudden conversion to using a larger helicopter places it out of step with the rest of the world's armies? My right hon. Friend must be worried that this delay will mean that we shall be ordering these helicopters from abroad rather than backing our domestic helicopter manufacturer, Westland, which has an excellent potential for development?

Mr. Butler: We have demonstrated the extent to which we have backed our indigenous helicopter capability. The

Army has placed no order for a W30. A staff target was identified for which the W30 might have been suitable. Since then, the Army has been reviewing its requirements. I hope that, within a few months, it will decide what it wants.

Mr. Carter Jones: Is it true that the modification of the AST404 has been the factor that has put Westland in difficulties?

Mr. Butler: Most certainly not. If AST404 had settled for a helicopter the size of the W30, and if resources had been made available for that staff target, we would have needed a competition and it would have been months or even years before the target could be fulfilled. Moreover, the W30 now available does not meet the requirements of the staff target.

Mr. Jim Spicer: Does my hon. Friend accept that a large number of overseas orders are hanging in the balance because other countries will not purchase British helicopters until they see the British Government showing confidence in the product? That is what is at stake. Is he aware that the future of the only British helicopter manufacturer is also at stake?

Mr. Butler: There are a number of potential orders. The main one, for India, is for a civil aircraft, so any demonstration of support for the military variety does not immediately impinge on that.

PRIME MINISTER

Engagements

Q1. **Mr. Boyes** asked the Prime Minister if she will list her official engagements for Tuesday 2 July.

The Prime Minister (Mrs. Margaret Thatcher): This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall be having further meetings later today. This evening I shall be attending a dinner given by the United States ambassador to mark the 200th anniversary of diplomatic relations between our two countries.

Mr. Boyes: During her busy day will the Prime Minister reflect on the fact that at least two people have committed suicide since the Government introduced new and punishing board and lodging regulations? Will she take into account the fact that the Minister for Social Security admitted to the House last week that the regulations were fatally flawed? How many people have to die before she will withdraw these evil and ill thought-out regulations?

The Prime Minister: The regulations that my right hon. Friend the Secretary of State for Social Services brought before the House are reasonable. Action had to be taken because expenditure had risen from £100 million in 1980 to nearly £600 million in 1984. My right hon. Friend has issued extended exemptions and I understand that many of the cases to which reference has been made fall within existing exemptions.

Mr. Lord: Bearing in mind the current debate on standards in education, will my right hon. Friend try to find time today to remind all headmasters of their legal obligation to hold morning assembly and to insist that they carry on this vital part of school life?

The Prime Minister: I know that the suggestion that morning assembly should be dropped has caused great concern both among Conservative Members and among many parents. I remind headmasters that it is part of the Education Act 1944 and must continue.

Mr. Kinnock: Does the Prime Minister realise that as well as turning thousands of young unemployed people into vagrants the changes in board and lodging allowances mean that thousands of old and chronically sick people may be denied care in residential homes, or even evicted from charitable and private homes that may have to close? As the results of the regulations are so obvious and horrific, will the right hon. Lady have the plain decency to reverse the policy so that old and sick people, who are among the weakest and most defenceless members of society, can have the care that they need?

The Prime Minister: As I said in reply to an earlier supplementary question, I believe that the steps that we have taken are reasonable. Expenditure had risen from less than £100 million in 1980 to nearly £600 million in 1984 and there was considerable evidence of waste and abuse in the system of supplementary benefit board and lodging payments. With regard to the effect on people in residential care and nursing homes, the new limits should allow reasonable charges to be met in homes satisfying the registration requirements.

Mr. Kinnock: I hope that the Prime Minister will reconsider that. How can the changes be reasonable when they may lead to the closure of many homes run by charitable organisations and, in the view of responsible people in those organisations, may result in the denial of homes to people who need them? How can the changes be reasonable when disabled people may have to find a further £90 a week, which they do not have, to pay for reasonable standards of care in private and charitable homes? Will she please reconsider the whole policy, as plainly it is neither rational nor reasonable to treat old and sick people in this way?

The Prime Minister: The new limits should allow reasonable charges to be met in satisfying the registration requirements. The right hon. Gentleman will be aware that the limit is £110 a week plus the attendance allowance. For handicapped children the limit can go up to £170 a week. Existing claimants are protected by the transitional arrangements introduced by my right hon. Friend. We shall review the new limits within 12 months of their coming into operation.

Mr. Nicholas Baker: Does my right hon. Friend consider that the energies of football hooligans, which are extraordinary but misdirected, suggest that a move towards a form of national community service would be constructive?

The Prime Minister: We have to deal with football hooligans in a different way and take all action that we possibly can to prevent their activity on football grounds and outside. The problem would not necessarily be solved by the kind of action suggested by my hon. Friend, although I understand the point behind his question.

Dr. Owen: Would the Prime Minister like to vote in the political fund ballot for the General, Municipal, Boilermakers and Allied Trades Union on 5 July? If so, I can offer her a ballot form. Indeed, Mr. Speaker, you may like to have a ballot form. The ballot forms are freely

available in Liverpool at the place of work, despite the fact that at that place of work there are only two members of the trade union. Is that not disgraceful? It demonstrates——

Mr. Speaker: Order. The same rules apply to everyone. The Prime Minister can answer only questions for which she has responsibility. She does not have a vote, and neither do I.

Dr. Owen: I am offering you the opportunity to vote —*[Interruption.]*

Mr. Speaker: Order. I am trying to hear the right hon. Gentleman's rephrased question.

Dr. Owen: Under legislation which the House passed only a year ago workplace ballots are allowed. They are a rotten farce, as is demonstrated by the free availability of ballot forms. Will the Prime Minister change that legislation to make workplace ballots the exception and postal ballots the norm?

The Prime Minister: I am grateful to the right hon. Gentleman for what he said. If his facts are correct, it would certainly be a great abuse, and a matter for the union to consider. Regarding legislation, the right hon. Gentleman knows that, whether it is a workplace or a postal ballot, it must be a secret ballot. If it is not, it is up to those affected to take action before the courts.

Q2. **Mr. Fatchett** asked the Prime Minister if she will list her official engagements for Tuesday 2 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Fatchett: Will the Prime Minister today explain why the Conservative candidate in Brecon and Radnor has made no reference to her in his official election address? Does she——

Mr. Speaker: Order. The same rules must apply to all. Again, that is not the Prime Minister's responsibility.

Mr. Fatchett: Does the Prime Minister share the view held by many people that the fact that her Government's candidate does not mention her name is a sign of the Government's weakness, and means that in future the Government cannot carry out their policies, or does she hold the view, shared by many people in Brecon and Radnor, that the Conservative candidate is merely trying to bring himself closer to the electorate?

The Prime Minister: I shall be glad to welcome him here as the new hon. Member for Brecon and Radnor.

Sir Peter Hordern: As First Lord of the Treasury, will my right hon. Friend consider increasing public expenditure so as to give more money to the Leader of the Opposition's Private Office, since Mr. Ron Todd has said that the Labour party's economic policy is unacceptable, Mr. Scargill tells the right hon. Gentleman what to do and the parliamentary Labour party is for the most part, apparently, on holiday? Is it not time that the right hon. Gentleman recruited some new people, went back to the drawing board and started again?

The Prime Minister: It is rare to hear my hon. Friend asking for increased expenditure, but for such a good cause I shall give his request my most earnest attention.

Q3. **Mr. Canavan** asked the Prime Minister if she will list her official engagements for Tuesday 2 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Canavan: When the Prime Minister has dinner tonight with the American ambassador, will she express the general feeling of relief and welcome that is felt on both sides of the House and throughout the country on the release of the American airline hostages after their long ordeal? Since President Reagan stated yesterday that he is committed to combating terrorism whenever and wherever it occurs, would not his fine words seem a bit more genuine if he were to stop aiding and abetting the terrorists who are trying to overthrow the democratically elected Government of Nicaragua?

The Prime Minister: I have already sent a message to President Reagan saying that we share his joy and relief at the release of the hostages, and I am sure that the entire House will join in that. As for the second part of the hon. Gentleman's supplementary question, I point out to him that sometimes the stance of the Labour party on terrorism would be better if it voted for the prevention of terrorism legislation.

Q4. **Mr. Fox** asked the Prime Minister if she will list her official engagements for Tuesday 2 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Fox: Has my right hon. Friend seen reports in today's press of Mr. Scargill's address to the National Union of Mineworkers? If so, does she agree with me that the only reason for Scargillism being defeated during the long strike was that the Government had the strength to withstand it? Is it not a fact that that is the only way of combating Scargillism?

The Prime Minister: Yes. If a Labour Government ever took office led by the present Leader of the Opposition, he would be an absolute pushover for the leadership of the NUM.

Mr. Ashley: Is the Prime Minister aware that what we desperately needed after the long coal strike was statesmanship from the Government and understanding from the National Coal Board? Instead, we have had bombast from Ministers, including the Prime Minister, and arrogance from the coal board, including its chairman. Is she aware that this has created such deep bitterness in the coal industry that it will damage if not destroy the mining industry and the chairman of the board?

The Prime Minister: No. I believe that we need to give great understanding to the difficulties of the working miners and ensure that we give them all the help and assistance that they need. We must turn the coal industry into a profitable industry so that people, especially young people, can be sure of its future. We must follow the colliery review procedure and ensure that, when pits have to be closed, the National Coal Board enterprise agency moves in after the closures to help those who need assistance to find other jobs in their areas.

United States of America (President)

Q5. **Mr. Latham** asked the Prime Minister when she next expects to meet the President of the United States of America.

The Prime Minister: I have no plans to meet President Reagan in the near future, but I expect to meet Vice-President Bush during his visit to London tomorrow.

Mr. Latham: While we can rejoice with President Reagan that the American hostages have been freed, will my right hon. Friend recall that one of them was brutally murdered by the terrorists and that many people see this whole affair as a partial victory for terrorists? Will she join President Reagan in banning Middle Eastern Airlines until Lebanon, and Beirut in particular, ceases to be a haunt of terrorists and killers?

The Prime Minister: I agree that it is intolerable that Beirut airport should be used to launch terrorist attacks outside the Lebanon, and we have not forgotten the United States Marine who was so brutally murdered on that flight. Until the Lebanese Government can guarantee security at Beirut airport it may be necessary for the international community to suspend all services to Beirut. I hope that such action, which we will certainly support, will have the widest international backing. I shall be discussing this matter with Vice-President Bush tomorrow.

Mr. Douglas: How can the international community have any efficacy in the control of terrorism when it does not observe the conventions which already exist for the control of terrorism? I refer to the Hague convention, the Tokyo convention and the Montreal convention. How can we believe that we can control terrorism through more conventions if we cannot adhere to existing international legislation?

The Prime Minister: As the hon. Gentleman is aware, we adhere to existing international legislation. I think that the hon. Gentleman is referring to the Montreal hijacking agreement, which was originally the Bonn hijacking agreement and was reaffirmed at Montebello. It has sometimes been difficult to get all nations to adhere to that. I agree that it is of vital importance in stopping hijacking, that everybody accepts that convention.

Mrs. Clwyd: On a point of order, Mr. Speaker.

Mr. Speaker: Does it arise out of questions?

Mrs. Clwyd: Yes, Mr. Speaker. Is it in order for the Secretary of State for Defence to refuse to answer a serious question on our national sovereignty, something that should concern every hon. Member? That sovereignty has been threatened by a senior military man at SHAPE headquarters and——

Mr. Speaker: Order. I think that the hon. Lady is trying to carry on Defence Question Time, and in particular her question 12. I have no responsibility for ministeral answers.

Mr. Tom Clarke: Further to that point of order, Mr. Speaker. Was it in order for the Secretary of State for Defence to attack hon. Members — including myself, incidentally, as I was on the delegation — who found that the——

Mr. Speaker: Order. The House knows that we have a busy day ahead of us, and an Opposition day at that. We cannot carry on Question Time. I am not responsible for what the Secretary of State says, and I cannot be responsible for the attacks made across the Chamber. That is what the system is about.

Mr. Boyes *rose*——

Mr. Speaker: Order. Is this another point of order? If it is an attempt to carry on Question Time, I shall not hear it. If it is a fresh point of order, I will.

Mr. Boyes: I am looking to you for guidance, assistance and help, Mr. Speaker. A senior four-star American general threatened this country——

Mr. Speaker: Order. I think that the hon. Gentleman will have to find other ways to draw attention to this senior four-star general. There will be other opportunities.

Mr. Boyes *rose*——

Mr. Speaker: Order. I cannot give the hon. Gentleman any guidance. Long ago the House agreed that when we have Question Time we end it at the prescribed moment. We cannot continue afterwards.

European Council (Milan)

3.34 pm

The Prime Minister (Mrs. Margaret Thatcher): With permission Mr. Speaker, I should like to make a statement on the European Council on 28-29 June, which my right hon. and learned Friend the Foreign and Commonwealth Secretary and I attended.

Some time in advance of the European Council, the United Kingdom had circulated specific proposals for the development of the Community, covering completion of the internal market, strengthening political co-operation and improvements in decision making. Texts of these have been placed in the Library of the House together with the proposal we made at the European Council on exploitation in the market of advances in technology.

The meeting offered the opportunity for action over a broad range of these proposals and a number of important decisions were taken. The European Council decided that, in making progress towards achieving the single internal market for goods and services in the Community by 1992, priority should be given to the removal of physical and technical barriers to the movement of goods to a free market in financial services, a free market for transport, the liberation of capital movements and full freedom of establishment for the professions. These are the United Kingdom's own priorities.

On political co-operation, the European Council decided to set in hand the work necessary to reach agreement on the lines proposed by the United Kingdom, taking account also of a subsequent Franco-German text which was very similar. Such an agreement would allow the Community together to wield more influence in world affairs.

On technology, the European Council expressed its determination to use the large Community market so as to strengthen technological co-operation in Europe in the face of the American and Japanese challange. As an incentive to manufacturers, we proposed that products resulting from collaboration should have a guarantee of genuine access to public purchasing throughout the Community.

By contrast, when it came to procedures for decision making, a majority of the European Council preferred to postpone action and to put the issues to an intergovernmental conference to be convened under article 236 of the Treaty of Rome.

The United Kingdom's view was that some positive improvements in the Community's decision-making could have been decided in Milan and did not require any treaty amendment. We regret this unnecessary delay but will naturally attend any such conference and shall continue to press for practical steps to improve decision-making which do not impair our ability to safeguard our national interests.

As the House will recall, any changes to the treaty would of course require unanimity and would have to be approved by each sovereign Parliament.

On the economic and social situation, the Commission is preparing a detailed report which will compare the Community's economic structure and performance with other major industrialised countries. It will concentrate on strategies to improve growth and employment.

The Commission also reported on the steps being taken to give effect to the British initiative on deregulation at the last European Council.

The European Council generally endorsed the report of the Committee on the People's Europe, which itself recommends cutting the burden of Community legislation and proposes easier access to medical care abroad.

The European Council agreed on the need for Japan to increase significantly its imports of manufactures and processed food products and to liberalise its financial markets. This unanimous view will be emphasised to the Prime Minister of Japan during his forthcoming visit to Europe.

I raised the need for further measures to combat terrorism and hijacking, with particular emphasis on the security of airports and air travel.

Finally, the European Council discussed famine in Africa. Two thirds of the cereals food aid agreed at Dublin last December has already reached the countries concerned or is en route. We now intend to work out a co-ordinated programme against the effects of drought in the Third world and give priority to helping developing countries themselves to achieve greater security in their food supplies.

By agreeing steps to remove barriers to trade and to strengthen high technology, the Milan European Council contributed to the Community's economic strength and to the creation of wealth and new jobs. It is regrettable, however, that the opportunity available to the Council to strengthen foreign policy co-operation and to improve decision-taking was not taken. These issues will now have to be discussed in a further conference. The United Kingdom will be present and will make a constructive contribution on the basis of practical proposals rather than vague aspirations.

Mr. Neil Kinnock (Islwyn): I listened carefully to the Prime Minister's statement, but try as I might I could not find any adequate explanation of why she got the whole approach to the Milan summit so spectacularly wrong. Ten days ago the Government's position, as expressed to the House, was that they and a substantial number of other member Governments did not see any necessity for an intergovernmental conference such as is proposed. What substantial number of other Governments took the same view as the British Government? What number were the Prime Minister and her Ministers thinking of in view of the fact that in Milan last weekend they were outvoted by seven countries to three?

Is it not the case that, as a consequence of the Prime Minister's clumsy failure in Milan and before Milan, we are not in a position to promote the changes in the Common Market that our country needs nor effectively to protect Britain's interests?

Mr. Nicholas Budgen (Wolverhampton, South-West): Tell us what changes.

Mr. Kinnock: She got us into this; she is going to have to get us out of it—*[Interruption.]*

Mr. Speaker: Order.

Mr. Kinnock: The Government have now been sucked into an intergovernmental conference that the Prime Minister said would never take place and which she plainly does not want. I have to ask her whether she will attend that conference herself. Is the "we" to which she referred

regal or national when referring to our country? Is it not important that the British Prime Minister actually does attend such a conference, in view of the plain fact that other countries can make changes in procedure without altering——

Mr. Budgen: What changes?

Mr. Kinnock: —without altering the treaty of Rome —*[Interruption.]* I understand the embarrassment of the Conservative anti-marketeers, but shouting will not cover their tracks. [AN HON. MEMBER: "You have got to cover yours."] I repeat: in view of the very plain fact that other countries can make changes in procedure at that conference without altering the treaty of Rome, and thereby by a majority vote enable themselves to determine vital future interests of the British people, is it not essential that the Prime Minister goes to that intergovernmental conference?

The communiqué and the Prime Minister's statement referred to the Committee on the People's Europe. Before that enterprise goes any further, will the Prime Minister accept the fact that the people of Britain—and, indeed, the other countries of the Common Market—are not impressed by European flags and stamps and anthems; they want investment and growth and, above all, jobs.

On the latter subject, I note from the statement that there is to be a detailed report comparing the Communities's structure and performance with other industrial countries. Are we supposed to be satisfied by such a statement? Are we supposed to be satisfied that 10 leaders of some of the strongest nations of the world got together over the weekend and all that they can offer to the 15·5 million unemployed in the Common Market is the prospect of yet another study to report in December? Would it not have been fitting for the British Prime Minister, who has the largest number of unemployed, to take the initiative at the summit to try to bring down unemployment?

In the wake of Milan, is it not absolutely plain— *[Interruption.]* I know that Conservative Members do not like it, Mr. Speaker—*[Interruption.]*

Mr. Speaker: Order. I do not need help from either side of the House.

Mr. Kinnock: Thank you, Mr. Speaker. Hooliganism is one thing that the Conservative party could teach Europe.

In the wake of Milan, is it not absolutely plain yet again that six years of bluster from the right hon. Lady has not succeeded in winning one tangible, positive advantage or in protecting British interests or the British people?

Faced with that reality, is it the case that the Prime Minister is vexed, or has she "but one emotion—fury", as her Mr. Bernard Ingham told us? Is it the case, as he said, that

> "The Richter scale ceases to operate when it applies to her. It is not irritation to the Prime Minister. It is total volcanic eruption. Krakatoa has nothing on it."?

How soon will the right hon. Lady join that extinct volcano?

The Prime Minister: I refer to the right hon. Gentleman's first point, on an intergovernmental conference. I do not think that an intergovernmental conference is necessary. We could have agreed great improvements in decision-making on the matters that were on the table, and that we had circulated well before the meeting. Some of us wished to; others wanted to go further than that, and they called an intergovernmental conference under article 236. That is a limited one. It must be initiated by proposals to amend the treaty, and the only ones before us on that occasion were article 57(2), which is an amendment on the qualifications and right of establishment, as well as article 100, which requires a unanimous vote for directives, which we happen to think is extremely important. No other article for amendment was suggested to go before that conference save one put up by the Commission, on the harmonisation of tax—article 99—which, fortunately, the Germans knocked down pretty quickly, and which we agreed should not be considered.

The right hon. Gentleman said that the decision can be taken by majority vote. That is not quite right. One can call an intergovernmental conference by majority vote. Any recommendations that it makes to change the treaty would have to be done by unanimous vote and would also have to come before each Parliament. It would have to be by unanimous vote—*[Interruption.]* If the right hon. Gentleman would listen, he might learn a thing or two.

With regard to some of the other things, there is a very large report before us, put up by our own Commissioner, on the internal market. It is absolutely vital that the European Council decides what priorities in that report be pursued first. It is not necessary, in our view, for it to take action on tax harmonisation. That can be put aside and considered by Ecofin, because it would cause difficulties for all of us. Therefore, we set out the priorities. They were set out on the first day. They were the ones that were adopted by that Council and put out in the communiqué.

If the internal market is completed, it will provide more jobs for this country, in both financial services and insurance. At the moment it is disgraceful, so long after the treaty of Rome was signed, that there are still quotas on [illegible], to our great disadvantage, and that we still cannot have shipping business from other ports in Europe on the same basis as they can from us. We still do not have a free market in air fares. All those things are extremely important in getting more jobs.

With regard to the report on unemployment, the best report, if the right hon. Gentleman would like to read it, was submitted to the Dublin Council in December. Many of its proposals still hold true. Mr. Delors is proposing to put forward a new report along the lines that I have outlined. With regard to the right hon. Gentleman's final point on bluster and fury, I could not hold a candle to him in the emission of hot air.

Mr. Geoffrey Rippon (Hexham): May I congratulate my right hon. Friend on the consistent effort that she has made to promote European progress on the basis of firm, practical action, while at the same time regrettably some of our European partners seem correspondingly reluctant to make practical decisions on a day-to-day basis, preferring apparently to kick the ball into the long grass? I welcome the fact that we are to attend the new constitutional conference, but can my right hon. Friend suggest any ways in which we can help to undo the damage that was done to the cause of European unity in Milan by some of our European partners?

The Prime Minister: That intergovernmental conference, as my right hon. and learned Friend knows, is normally the General Affairs Council of Foreign

[The Prime Minister]

Ministers. I doubt whether it would take long, because there appear to be only those two matters before it. It would then have to report back to the European Council. As I have said, if it were to propose any changes in the treaty, that could be taken through only by unanimous support. I saw nothing before us that would require an amendment to the treaty. We should not be too depressed. We have had setbacks in the Community before. Nevertheless, we have been able to carry out enlargement and make decisions on own resources, which mean that we shall pay less now than we would have paid otherwise. I think it is a temporary setback which I hope will be fully redeemed at Luxembourg, and all our efforts will be bent in that direction.

Mr. Roy Jenkins (Glasgow, Hillhead): Can the right hon. Lady explain why she was apparently so incensed that the Franco-German paper took over so many of the ideas of the British Government? Surely if one wants to make progress in a negotiation, it is generally highly desirable that other parties should put forward one's own ideas, believing them to be theirs?

The Prime Minister: It seems strange, since they are on the table already, to duplicate them.

Mr. Julian Amery (Brighton, Pavilion): Is my right hon. Friend aware that most of us on this side of the House, and I suspect on the other side and in the country, strongly support her pragmatic approach to European co-operation? Is she also aware that it is very difficult to proceed by gentleman's agreement unless one is dealing with gentlemen? Is she further aware that she was absolutely right in the context of the Milan meeting to agree that we should participate in the October meeting? If we are to make progress with Lord Cockfield's proposals for the internal markets and with my right hon. Friend's own proposals for foreign policy, counter-terrorism and other matters, we may have to embark on a system of rather tighter regulation than we would have preferred. Let us be in on it this time and not out of it, as we were when the Messina agreement was approved.

The Prime Minister: I do not believe that the internal market matters will be dealt with without that intergovernmental conference, although it would be relevant in the sense that the large number of directives that would need to be issued to complete that internal market would now have to be decided upon by unanimity. One of those proposed treaty amendments at the intergovernmental conference would change the unanimity rule, and I think most of us—I certainly—would wish to keep the unanimity rule on directives which could be quite vital to many of our industries. That is a matter that will be dealt with at the intergovernmental conference and I thought that our proposals, which would not have required treaty amendment, would be better. It is important that the internal market be completed, but I think it can be completed keeping the unanimity rule.

Mr. Nigel Spearing (Newham, South): Can the Prime Minister be a little more specific about the timetable for the proposals under article 236 that she mentioned? Can she assure the House that any proposals emanating from the Council of the EC will be published and will be debated in this House under the usual arrangements before the actual conference takes place?

The Prime Minister: There are at present, as I said, only two proposals for treaty amendment and the hon. Gentleman, who is very familiar with the articles of the treaty, knows that that article has to be invoked first by a particular proposal for an amendment. European Assembly opinion on it has to be obtained and then the European Council has to decide what course to recommend. If, of course, it were to recommend any amendments in the treaty, then of course we should have to have a full debate in this Parliament, if the European Council itself decided to go ahead with those recommendations, but first the European Council, which will meet at Luxembourg at the beginning of December, would, I believe, decide whether it wished to go ahead with any recommendations from that previous conference.

Mr. Teddy Taylor (Southend, East): In welcoming very much my right hon. Friend's firm refusal to support the proposals for European union, may I ask her whether she will not close her mind to the desirability, in the event of the breakdown of the next conference, of allowing the original Six to go ahead with a European union treaty for themselves, if they wish? In regard to what she has said about harmonisation, may we have a firm assurance that there is no question of Her Majesty's Government agreeing to the Commission's plans for the internal market if that involves harmonising VAT and charging VAT on food, electricity and gas?

The Prime Minister: My hon. Friend asked about European union. It is a term that is used very loosely. It causes great confusion. Its meaning is not precise. It means something different here from what it means in the Community. We had two proposals before us in Milan, one from ourselves for a treaty on political co-operation and a Franco-German proposal that was almost identical save in regard to three minor points, entitled "A Treaty on European Union". It was not that at all but an agreement on political co-operation. I usually ask my colleagues not to use this phrase because it causes confusion here.

With regard to harmonisation of taxation, I do not believe that is necessary for completion of the internal market. Of course, we should resist it with all the power and strength at our command.

Mr. Tom Clarke (Monklands, West): In view of the right hon. Lady's reference to jobs, can she confirm that she took the opportunity to inform the Community that we in Britain have made enough concessions on steel? Will she therefore confirm today a corporate plan that ensures that we shall have five major plants in Britain, including Llanwern and Ravenscraig?

The Prime Minister: I have no statement to make today about the steel corporate plan. We will let the House know as soon as a decison has been taken.

Mr. Dennis Walters (Westbury): Was my right hon. Friend able to discuss with her colleagues King Hussein's peace initiatives in the middle east and to ensure that every possible support will be given to him to make some progress in that area?

The Prime Minister: Heads of Government had only a brief discussion about the middle east. As my hon. Friend is aware, we warmly support King Hussein's peace initiative and hope that it will succeed and result in direct

negotiations between King Hussein's delegation and Israel. I believe that is the view held by a number of other countries in the Community.

Mr. Eric Deakins (Walthamstow): Will the right hon. Lady oppose at the inter-governmental conference any amendments to the Treaty of Rome?

The Prime Minister: We must go to that inter-governmental conference and consider what is put before us. The statement I made at the European Council was on the matters before us. I saw no reason for amendment of the treaty.

Sir Anthony Kershaw (Stroud): Is it not obvious that insisting on constitutional reform before practical changes may risk those practical changes becoming either more difficult or even impossible? Is it not a pity that at this time we should hear fom the Leader of the Opposition nothing but wind, bluster and ignorance?

The Prime Minister: I agree with my hon. Friend. We needed practical changes and we have done a great deal at previous European Councils to make fundamental decisions without changes in the treaty. I thought that the *South German News* put it rather well this morning when it said that Milan showed the gulf in the Community between wishful thinking and reality. We were on the side of reality.

Mr. John David Taylor (Strangford): In view of the unanimity requirement of the inter-governmental conference and the advance notice given by several member nations that they are opposed to the items on the agenda, what decisions does the Prime Minister anticipate from that conference that were not already available at Milan, if the opportunity had been taken?

The Prime Minister: I believe that the decisions were available at Milan. They should and could have been taken there. I believe that they will have to come back to Luxembourg to be reconsidered.

Mr. George Walden (Buckingham): Will my right hon. Friend welcome the remarks by the Leader of the Opposition in so far as they seem to imply that we should work for improvement of the Community from within and that this at least is progress since until recently he did not seem to know whether we should be in or out?

The Prime Minister: In so far as my hon. Friend concluded that that was the import of the right hon. Gentleman's statement, I accept that it is welcome.

Mr. Ron Leighton (Newham, North-East): May I commiserate with the Prime Minister on her humiliating treatment in Milan? Does she accept that the foolish headlines in the press last week about Britain taking over the leadership of the Common Market were just another illusory product of the European dream factory? Is not the Common Market largely a Franco-German benefit society in which our role is to soak up surplus manufactures and dear food? In view of that, should we not draw the appropriate and realistic conclusions?

The Prime Minister: If the hon. Gentleman looks at the documents that are available, he will find that the proposals on the internal market, and the priorities which the European Council decided upon, were those that we put forward to the European Council and which it accepted. He will find that the proposals for closer political co-operation are proposals that we put forward and circulated. Those are the proposals which, together with minor modifications by France and Germany, are likely to be accepted. That is really not a bad start. With regard to what else he said about Milan, I do not need to feel humiliated at all. I noticed that *Le Monde* this morning said:

> "The stubbornness of the federalist plan has left a divided Community. They have chosen the very moment when Britain feels itself more European to block her."

Mr. Tony Marlow (Northampton, North): Does my right hon. Friend agree that while the Germans and the Italians were federating in the last century, some of the smaller nations of Europe were looking towards setting up a federal Europe. We in Britain are not. Will she confirm that on no account during her premiership will we surrender the British right to the veto?

The Prime Minister: We have fought for the British right to a veto. Where we have unanimity in the treaty, it is inbuilt in the unanimity rules. Otherwise, we still fight for the Luxembourg compromise with one modification only: that when it is used the reason for which it is used, the right of vital national interests, should be clearly expressed. I agree wholly with my hon. Friend that there is no question of a federal Europe.

Mr. Michael J. Martin (Glasgow, Springburn): The right hon. Lady will be aware that in my constituency 1,400 jobs are to go in the railway workshops. I can go to streets in my constituency where people have not had a decent job in years. Many of my constituents are living in damp houses. Will the right hon. Lady explain how the European Community will help constituencies such as mine?

The Prime Minister: The hon. Gentleman is aware that there has had to be rationalisation of the railway workshops because the carriages in use are of a different design, last very much longer and do not require the same maintenance. As the hon. Gentleman is aware, there is unemployment throughout the European Community, and, in parts of it, it is higher than here. Elsewhere it is lower, although they have factors such as conscription which help their young people considerably. There will be a full report upon that. We are in the middle of technological changes which in themselves cause dislocation in society, and we have to do everything we can to mitigate the effect of those changes on the people who have to endure them.

Sir Anthony Meyer (Clwyd, North-West): Is it not now clear to my right hon. Friend that the anti-Europeans want a European union from which Britain is absent, and they are not prepared to pay any price to achieve a common market? Were they to achieve their objectives, would that not bring about the twin political and economic disasters which successive Governments have sought to avoid for 20 years.

The Prime Minister: As my hon. Friend is aware, I believe it is in Britain's interest to be in the Common Market to secure the full working of the treaty, particularly with regard to the internal market and the free movement of transport. It will be to Britain's advantage, not only on the trading side. It will also enhance the influence of Europe throughout the world. I work for both of those things.

Mrs. Anne Clwyd (Cynon Valley): Did the Prime Minister have the opportunity to investigate the loss of £76

[Mrs. Anne Clwyd]

million from the regional and social funds, money which could have been spent on roads, industrial development and jobs? Her answer will be of particular interest to Brecon and Radnor, because the county in which it is situated receives not one penny from the social fund. Is it because of bureaucratic bungling in Whitehall or in Brussels?

The Prime Minister: The hon. Lady is aware that I have already written about the social fund and some of the applications that have been made from the areas of Wales which she mentions to support those applications.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): Does my right hon. Friend agree that if it were not for the strangeness of a by-election on Thursday, the Opposition, who were castigating the Prime Minister today, would be praising her for defending Britain's national integrity and our right to put our country first? Is it not a fact that my right hon. Friend suggested only that we would carry out practical and sensible changes to the working of the Community instead of wasting aeons of time, money and talk on changing the treaty of Rome in a way that we all know will never come about because we will not be federalist? There will not be a change in the veto.

The Prime Minister: I agree with my hon. Friend. The Opposition's temporary conversion to the cause of Europe might be affected because they know the amount of inward investment into Wales by virtue of Britain being a member of the Common Market.

Mr. Bryan Gould (Dagenham): Even though she voted against it, does the Prime Minister propose to attend the conference?

The Prime Minister: It is not a conference of Heads of Government, as I am sure the hon. Gentleman realises. It is a conference of the General Affairs Council which would normally consist of Foreign Ministers. Only at the European Council are there Heads of Government.

Sir John Biggs-Davison (Epping Forest): Despite the proposals for a treaty of union, is it not clear that no major Community country is prepared to relinquish its national sovereignty to a federation? Therefore, is it not the case that much Continental criticism of my right hon. Friend and the United Kingdom is hypocritical? Is my right hon. Friend aware of the very great support she has in this country for the practical proposals she has put forward and for her steady advocacy of British and, indeed, European interests?

The Prime Minister: I thank my hon. Friend. Sometimes a lot of the rhetoric spoken about Europe gets in the way of practical proposals. It does not matter which country is involved, when things come up in Europe in which a vital national interest is affected, all countries, in practice, act in the same way as did Germany recently over the price of cereals.

Sir Russell Johnston (Inverness, Nairn and Lochaber): Is the Prime Minister aware that her references to a majority of the European Council postponing a decision on decision-making actions is really doublespeak? Will she not accept that the recommendations of the Dooge committee, to which we entered so unnecessary a reservation, were not about doing away with the veto but about confining its use to genuinely vital national interests? That is not something like cereal prices. Difficult job as it is, the best way of achieving this is through an inter-governmental conference, as my right hon. Friends urged her to do in an early-day motion in April. How can she assure us that she will go to the conference in a constructive frame of mind when she has already said on BBC radio that it will fail? If it fails, it will be because she has made it fail. We shall be further isolated and will not achieve either budgetary discipline or the reform of the internal market. To say that only the Danes, the Greeks and ourselves understand reality is absurd.

The Prime Minister: The Luxembourg compromise is not part of the treaty and never has been. We were proposing changes in the Luxembourg compromise, not in its veto power, but that if that veto power were used the reasons should be set out clearly. The Luxembourg compromise has never been a part of the treaty and we do not need an inter-governmental conference to modify, to keep or to change it. The hon. Gentleman has got it quite right.

Mr. Hugh Dykes (Harrow, East): Does my right hon. Friend agree that she has substantial support in other member states for her approach of practical steps? Despite the difficulties, this is a developing and robust community with social, political and economic objectives, and we should play our full part in that and resist the temptation to isolate ourselves as we have always done in the postwar years. We should make sure that we join in fully and avoid the dangers and risks now after the very exhausting struggle over the United Kingdom budget contribution. We should avoid yet another debilitating struggle between "us and them" on taking the Community further forward on structural developments.

The Prime Minister: I agree that we need a step-by-step approach, but if my hon. Friend looks at the documents he will find that that is exactly what we had. We also had a balanced approach. We made proposals on completion of the internal market. We got the priorities right. That was the economic side, and that will help with jobs. We made proposals on political co-operation. That is a modest description, but it was political co-operation. That got a good deal of support, and it was a pity that we did not go through those proposals clause by clause and complete them. They do not require a change in the treaty, and they do not need to go to an intergovernmental conference. We also made proposals on how to make decisions better without changing the treaty. Therefore, we have the economic side, the political side and the institutional side. It was a very balanced package, and many people regret that it was not fully accepted.

Mr. Dennis Skinner (Bolsover): Does the right hon. Lady accept that ever since she became Prime Minister she has preached to the House and the nation about the need to save money? At the weekend when she was interviewed on television and radio, and when it was said that she was in a fury, she said that the intergovernmental conference was a complete waste of time. Does she accept that if local councillors went to a conference which, beforehand, had been announced as a complete and utter waste of time, they would be wasting ratepayers' money? If this

intergovernmental conference is a waste of time—to use her words—why is she sending someone? Who will foot the bill? Surely it is time that the Prime Minister added up the total of all these conferences. Four years ago she said that coal production in the Common Market would be doubled, but ever since pits have been shut in nearly every country. Surely to God it is time that the right hon. Lady reckoned up the total cost of this Common Market catastrophe? Instead of wittering on, should not we be coming out altogether?

The Prime Minister: I am afraid that fury is the only emotion that I am allowed by the press. It is rarely true, and I should be utterly exhausted if it was heard half as often as they say. We were disappointed, but that is hardly fury. I do think that the intergovernmental conference is not necessary. After all, that is exactly what I have said the whole time. We could have reached decisions at Milan, and the hon. Gentleman should address his remarks not to me but to my colleagues.

Mr. Ivan Lawrence (Burton): While the imminent possibility of a visit to this country by a joint Jordanian-Palestinian delegation will be most welcome to all of us who care about peace between Israel and its Arab neighbours, will my right hon. Friend make sure that it does not include any representatives of the Palestine Liberation Organisation, otherwise the impression might get about that, for us, terrorism is respectable and can sometimes be rewarded?

The Prime Minister: My hon. Friend knows my views on terrorism. He will also be aware that at present on the West Bank there are people who, although members of the PLO, have roundly and strongly condemned terrorism. For example, several of the mayors of some of those cities have strongly condemned terrorism, and we must try to strengthen the hand of those people.

Mr. Andrew Faulds (Warley, East): Instead of having a tiny tantrum after her failure in Milan, as the Prime Minister appears to have done, would not it be better for Britain if the Government were to commit this country to a European future by attending the intergovernmental conference at the highest level and by accepting whatever amendments to the treaty may be necessary to get European agreement? Otherwise does not the right hon. Lady understand that Britain will become increasingly insignificant in Europe and will end up as a minor country in the second or third tier rank of the Community?

The Prime Minister: No. I would have thought that the hon. Gentleman would have had more regard than that for Britain's interests. There are 10 partners in the Community and there will shortly be 12. To get on best together in the Community as a whole, we must each respect the interests of others and go forward by trying to blend those interests together rather than disregarding them.

Mr. William Cash (Stafford): I congratulate my right hon. Friend on her pragmatic and balanced approach to the Milan conference. Lest the voters of Brecon and Radnor have not taken note of it, does she accept that the alliance is indeed in significant disarray over the use of the veto in Europe in that the right hon. Member for Plymouth, Devonport (Dr. Owen) insists upon the use of the veto even to the point of amendments to the treaty, whereas the leader of the Liberal party is pressing continuously for a federal Europe?

The Prime Minister: They always seem to be in disarray and say what suits their needs at the time.

Mr. Clive Soley (Hammersmith): Did the Prime Minister raise the question of the extradition of the Italian terrorists? If not, what will she do about it? Did not she get into difficulties in Europe because she wanted some economic integration whereas the others wanted political unity? Is she trying to pretend that economic integration does not ultimately lead to political federation?

The Prime Minister: No, the extradition of Italians did not come up in a Community context. I have made it perfectly clear that I am absolutely against a federal Europe, and so, I believe, are the overwhelming majority of our partners in Europe. There is no question of it.

Mr. Nigel Forman (Carshalton and Wallington): As it is likely to be 35 years after the signing of the treaty of Rome before the Community eventually achieves the objective of a fully free and internal market, does my right hon. Friend recognise that there are powerful arguments for putting our maximum weight behind the initiative of Lord Cockfield and others? In that context, will she consider moving towards full British participation in the European monetary system?

The Prime Minister: It is important to get the internal market complete. We have quite a programme and have set a date of 1992. I do not believe that it would be advisable for this country to join the exchange rate mechanism of the European monetary system at present, but we belong to the European monetary system.

Dr. Norman A. Godman (Greenock and Port Glasgow): What role will be assigned to Spain and Portugal at this conference? If they are to participate passively or actively, what is the likelihood of the Gibraltar issue being raised informally with the right hon. Lady?

The Prime Minister: I see no reason why the Gibraltar issue should be raised in that context at all, and I do not believe that it will be. If the hon. Gentleman looks at the article under which the intergovernmental conference is called, he will see that the conference will consider only the specific amendments to the treaty that have been proposed. As I have said, only two have been proposed, and they were proposed by the Commission. The position of Spain and Portugal is for the presidency during the coming six months, but it was indicated that Spain and Portugal would attend that intergovernmental conference, as any recommendations that came out would affect them. They will probably be at the next European Council, as they were present at this one, as observers.

Mr. Eric Forth (Mid-Worcestershire): In adding my support to those who have welcomed the Prime Minister's vote against this unnecessary conference, may I ask my right hon. Friend, nevertheless, to say whether the terms of reference of the conference are those set out in the Dooge report, which was the main vehicle in recommending the conference—in other words, that the mere holding of such a conference would in itself be the first step towards so-called European union?

The Prime Minister: No. We spent a long time on the amendments that were to go to an intergovernmental conference. Only two amendments have been proposed, one on equivalence of qualifications and the other relating to the unanimity rule on directives. Germany disagreed that a third commission proposal on tax harmonisation should even go to the conference, and, had Germany not disagreed, we would have raised the matter as well. Therefore, this conference will have a very limited agenda. I am not sure whether the presidency, which for the next six months is held by Luxembourg, will then admit proposed amendments from either member Governments or the European Assembly. That will be a matter for the presidency.

Mr. Robert Maclennan (Caithness and Sutherland): If the Prime Minister put forward her proposals for improvement of decision-making in the belief that they were practical rather than vague aspirations, will she take the same view about them if they are proposed as treaty amendments and not merely resist, because other countries would prefer to see these practical proposals embodied in a revision to the treaty?

The Prime Minister: They do not need or require an amendment of the treaty. There would be a considerable advance in practice, which would mean considerable progress in the Community. None of them needs an amendment of the treaty.

Mr. Harry Greenway (Ealing, North): Does my right hon. Friend accept that the announcement that there is to be intergovernmental co-operation against terrorism is unanimously welcomed? Can she say how soon the new measures will be in place and, if possible, what they are likely to be and whether Greece will accept them?

The Prime Minister: Co-operation against terrorism goes far wider than the Community. It includes the economic summit nations but goes wider than that, and includes the Council of Europe. We did not discuss widely what those measures are. However, I can assure my hon. Friend that we co-operate and that we are trying to step up the safeguards, particularly at airports, for aircraft in flight and at the airports where those aircraft call. It is best to say no more than that.

Mr. John Stokes (Halesowen and Stourbridge): Is my right hon. Friend aware that although in recent months I have increasingly had serious doubts about the European Community, I differ from those of my hon. Friends who criticise the European Community because I am bound to ask myself whether I should do any better in my right hon. Friend's seat, or whether they would do any better, or whether any other hon. Member would do better. I think not.

Hon. Members: Hear, hear.

The Prime Minister *indicated assent.*

Mr. Tim Yeo (Suffolk, South): Can my right hon. Friend say whether, during the weekend in Milan, any of her European counterparts sought her advice about those policies that have led to Britain enjoying a faster rate of economic growth than any other member of the Community?

The Prime Minister: I cannot say that we spent a very long time discussing that matter. Nevertheless, one of the reasons for completing the internal market and technological co-operation is that it can lead to increased growth, an increased standard of living and an increase in the number of jobs. That is a matter that affects greatly all Community states.

Mr. Henry Bellingham (Norfolk, North-West): When my right hon. Friend was in Milan did she have an opportunity to ask about the European Commission proposal that payments should be made to certain officials to take early retirement because of the accession of Spain and Portugal to the Community? Is she aware that those payments might cost more than £70 million a year? Why sh[illegible] the British taxpayer pamper these spoiled Eu[illegible]s?

The Prime Minister: The proposals are still under consideration. My hon. Friend will not be surprised if I say that we wish to keep these payments as low as possible.

Mr. Jonathan Aitken (Thanet, South): Now that my right hon. Friend has faced the reality in Milan of her European partners' disappointing response to the British initiative, does she not think that the time has come for this country to adopt for the first time a constructive approach to President Mitterrand's proposals for a two-speed Europe? Quite apart from the practical advantage of looking at the options of such a policy, has my right hon. Friend considered that at Brecon and Radnor and in many other contests the slogan "Going Slower in Europe" might be popular?

The Prime Minister: I am afraid that I must disagree with my hon. Friend. I do not believe that there should be a two-speed Europe, nor do I believe a great deal of the rhetoric that sometimes emerges from these meetings. The reason is that when we look at specific examples and specific cases most countries take into account their own interests and their accountability to their sovereign Parliaments. In reality I do not think that there is anything like so much difference between us as sometimes appears at the end of these meetings. I pointed out to some of my colleagues in the Council that this country's record in obeying the laws of Europe before the European Court is one of the best. For example, in the European Court Italy faced six times as many actions for infringing the law as the United Kingdom, that is 76 actions. France faced about four times as many infraction proceedings as the United Kingdom, 45. Belgium faced three times as many, 37. Only Denmark faced fewer cases than the United Kindgom. Denmark and the United Kingdom have been best, and Denmark and the United Kingdom stuck together at Milan.

Mr. Budgen: Is not the extension of the practice of majority voting at least a small step towards a federal Europe?

The Prime Minister: No, Sir. As my hon. Friend is aware, majority voting is already provided for in the treaty. There are occasions when that suits us, and obviously there are occasions when it does not, but we have not suggested a change in the treaty.

Mr. Neil Hamilton (Tatton): Has the Prime Minister noticed that the right hon. Member for Islwyn (Mr. Kinnock) failed to come up to his usual standard in his question this afternoon? Is that because his minder, the hon. Member for Livingston (Mr. Cook), is not here to tell him what to say? In view of my right hon. Friend's

welcome commitment to oppose moves towards European federalism, what does she have to say about the statement on page 33 of the Dooge report, that

"a conference of heads of state or Government to negotiate a draft European treaty would represent the initial act of European union"?

The Prime Minister: That was the majority view of the Dooge committee, not ours. Once again it comes down to the use of the phrase "European union", which to this country means European federation; but it does not mean that in Europe. They are as much against a federal Europe as we are. I wish that we could drop the phrase "European union".

Mr. Richard Hickmet (Glanford and Scunthorpe): Does my right hon. Friend agree that one of the most serious international trading issues facing the European Community is the current trade imbalance with Japan, which is running, I believe, at £10 billion this year? What discussions did she have with her colleagues at the summit? Is there any prospect of action being taken to reduce the imbalance in bilateral trade between Europe and Japan to deal with Japan's international trading tactics? If the representations to Mr. Nakasone are ignored yet again, what will be done?

The Prime Minister: Mr. Nakasone is making a visit to Europe and also to the European Commission. It was suggested at the European Council that Japan should adopt a specific target for imports to ensure that there is some means of examining how well she is doing in practice in making reductions in her balance of trade surplus and should revalue the yen so that it alters her competitive position with other countries. We shall have to consider whether to put up barriers to Japanese goods if she is not prepared to open her market to our goods, as we are prepared to open our markets to hers.

WELSH AFFAIRS

Ordered,

That the matter of Education and Training in Wales, being a matter relating exclusively to Wales, be referred to the Welsh Grand Committee for their consideration.—*[Mr. Neubert.]*

STATUTORY INSTRUMENTS, &C.

Ordered,

That the Fish Producers' Organisation (Formation Grants) (Amendment) Scheme 1985, be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr. Neubert.]*

Heathrow (Jokes)

4.27 pm

Mr. Ian Lloyd (Havant): On a point of order, Mr. Speaker. I seek your guidance. Nobody will be more aware than you of this House's jealous regard for its prerogative and privilege to consider, pass and monitor the administration of the laws of the United Kingdom. Therefore, it was a matter of the gravest concern to many hon. Members to discover that a comparatively minor official could apparently make a statement over the weekend declaring it to be an offence and a crime in the United Kingdom to make a joke at Heathrow and that within 24 hours two courts, one at Aberdeen and the other at Uxbridge, could impose fines of £1,500 and £150. Is not this a matter that the House should consider at once?

Mr. Speaker: Order. It is not a matter for me. In this country, we live under the rule of law.

Education (Cost of School Transport)

4.28 pm

Mr. Patrick Nicholls (Teignbridge): I beg to move,

That leave be given to bring in a Bill to require a local authority to meet the travel costs of a child attending a school where the parents have nominated a school other than that chosen by the authority providing the necessary criteria are met as regards the age of the child and the distance to be travelled and subject to certain limitations on distance.

The Bill would make certain provisions for local education authorities to provide free school transport for those children whose parents had exercised their right under section 6 of the Education Act 1980 to nominate a school of their preference. This would be subject to two conditions being met. First, the present criteria of the age of the child and the distance of the child's home from the school would have to be satisfied. Secondly, the school chosen by the parents would have to be within the area of either their own or an adjacent local education authority.

The law relating to the provision of school transport is far from clear. For some time past there has been considerable speculation about precisely what is the obligation of local education authorities towards school transport.

The commonly accepted position is that the combined effect of section 56(1) and (2) and section 39 of the Education Act 1944 is that a local education authority is under a duty to provide free school transport for children who live beyond walking distance to attend the nearest suitable school. "Suitable" in that context is taken to mean suitable in terms of age, aptitude and, where appropriate, sex and religious denomination. Walking distance for a child of eight or under is two miles and, for a child above that age, three miles.

The significance of free transport can be readily seen in the context of Devon, the third largest shire in England. Third only to north Yorkshire and Cumbria, it covers about 2,500 square miles and has about 8,125 miles of roads, twice the mileage of any other county.

Before the passing of the Education Act 1980, disputes in Devon about the circumstances in which free transport should be available could have presented themselves only where the parents were of a specific religious denomination. The passing of the Education Act 1980 changed all that. Section 6 gave parents the right, subject to some safeguards, to have their children educated at a state school of their choice. The question that immediately arises is whether, when all the other conditions are met, the local authority can be compelled to meet the cost of school transport for those who exercise their rights under the Act.

There is an argument in logic, though not in reality, that the state should not have to provide free school transport. Although a parent has a choice about where he wishes to live, this country has had compulsory state education for well over a century, and no reasonable person would seriously question the state's obligation to provide free school transport in appropriate cases. A citizen's ability to exercise his right is therefore dependent upon his having the financial resources to do so, and that cannot be right.

The problem was not unforeseen. In one of their proposals for what eventually became the Education Act 1980, the Government tried to change the law to provide what in their view would have been a fairer system. Under those proposals the local authorities would have been able

[Mr. Patrick Nicholls]

to arrange school transport and charge for it at a flat rate, while offering it free where there was genuine financial hardship. It is a matter of history now that those proposals were defeated in another place. I doubt whether the ramifications of what was done would have been fully appreciated at the time.

In a statement of guidance issued on 15 December 1981, the Department of Education and Science pointed out that the law relating to the provision of school transport and the payment of travel expenses had not been changed, although the Secretary of State asked LEAs to consider offering free or concessionary transport, or to pay travelling expenses for children whose parents succeeded in obtaining a place for them in a school not considered to be the nearest appropriate one to their home, provided that the distance requirements were satisfied. In so far as one can generalise, LEAs were apparently appalled by that suggestion.

The present position can no longer be tolerated. Section 55(1) of the Education Act 1944 imposed a duty on LEAs to make such arrangements for the provision of transport "as they consider necessary". Are we now to have two classes of school — those considered by the local authority to be necessary and those chosen by parents in the exercise of their statutory rights under section 6 which are in some way considered to be unnecessary? To put it another way, LEAs are under an obligation to provide transport to the nearest appropriate school, and normally that would mean that the LEA had arranged for the student to attend what it would regard as being the nearest appropriate school. Are we now saying that if a parent is successful at first instance or on appeal in nominating a school under section 6, that is not to be considered as appropriate? That is the way in which the law is being interpreted at present. Devon county council regards the appropriate school as being the one that it chooses, and that position has been echoed by other LEAs.

A number of LEAs have emphasised that a lack of free transport to other than the nearest appropriate school— as decided by them — was a factor that should weigh heavily with parents when stating their preferences.

Inevitably, in a completely unsatisfactory position anomalies abound. It would be possible for a parent to choose a school that was nearer than that chosen by the authority, so that at first sight the local authority would make a saving, only to find that the local authority would make a far bigger saving because it would not contribute. It would be equally possible for a parent, who lives just inside the border of his own LEA, to choose a school that was just the other side of the border, still sufficiently far away, apparently, to qualify for free transport, and to find that it would, nevertheless, be nearer than the nearest appropriate school within his own LEA area.

Hon. Members will be aware that the case of Rogers *v.* Essex County Council is presently under appeal. That case is of course sub judice. In any event, it deals with a far narrower point — the considerations that may be taken into account in deciding the length of the route to the appropriate school. The Bill, while modest in its intentions, is more radical than that. It would ensure that in a matter of fundamental interest to us all no child is deprived of his rights merely because his parents cannot afford to exercise them.

I have no pride in authorship. There will be matters that hon. Members will wish to consider in Committee. Hon. Members might want to qualify the reference to an adjacent LEA by reference to a prescribed distance within that LEA. Important though that is, it would be a point of detail.

I have presented a measure that commands support from the two principal Opposition parties. It is a Bill that would remedy an injustice which, if not widespread, is significant. For that reason, I ask that I be given leave to introduce my Bill today.

Question put and agreed to.

Bill ordered to be brought in by Mr. Patrick Nicholls, Mr. Roger Gale, Mr. Richard Hickmet, Mr. Gerald Bermingham, Mr. Alex Carlile and Mr. Tony Speller.

EDUCATION (COST OF SCHOOL TRANSPORT)

MR. PATRICK NICHOLLS accordingly presented a Bill to require a local authority to meet the travel costs of a child attending a school where the parents have nominated a school other than that chosen by the authority providing the necessary criteria are met as regards the age of the child and the distance to be travelled and subject to certain limitations on distance: And the same was read the First time; and ordered to be read a Second time upon Friday 5 July and to be printed. [Bill 178.]

Opposition Day

[18TH ALLOTTED DAY] [FIRST PART]

National Health Service

Mr. Speaker: I must announce that I have selected the amendment in the name of the Prime Minister.

4.36 pm

Mr. Michael Meacher (Oldham, West): I beg to move,

That this House condemns the net reduction of 13,000 hospital beds in the National Health Service since 1979; anticipates with alarm a further loss of beds, especially in view of the inadequate provision for the elderly, the chronically sick and the mentally ill; deplores the Government's insistence that the nurses' pay award be funded at the expense of health service jobs or with cuts in services to patients; considers that these policies, together with the huge rise in unemployment, the cuts in housing investment, the weakening of health and safety controls and reductions in research funding are undermining the health and well-being of the nation whilst being neither efficient nor compassionate; and calls upon the Government to halt its policies of privatisation, promotion of private health care schemes and cuts in provision in order to provide patients and medical, nursing and ancillary staff in the Health Service with the means of gaining and administering improved treatment more quickly.

Those who 37 years ago this week founded the National Health Service — the greatest monument to Socialism, which is enduringly prized and valued by the overwhelming majority of British people, like most doctors today, let alone most patients — are deeply disturbed by the almost unrelieved catalogue of cuts that has been the history of the NHS for the past few years.

Mr. Sydney Chapman (Chipping Barnet) *rose*——

Mr. Meacher: The hon. Gentleman should contain himself until he hears the trend of my speech.

It is not just money that is involved. I agree with the Government that the criterion for judging the Health Service is not and should not be the level of expenditure alone. I stress the word "alone". It is the adequacy and quality of medical care, in the widest sense, and its distribution strictly according to need without barrier of income, class or geography. On those criteria, the Government claim that the NHS is safe in their hands. They even issued a leaflet in January of this year entitled "The Health Service in England" to prove it. That leaflet was misnamed. It should have been entitled "Selective Fibs and Fowler's Howlers".

The flagship of the Government's defence in that leaflet —no doubt it will be repeated today by the Minister for Health—was that there had been a 12 per cent. increase from 1978 to 1983 in the number of in-patient cases. For misleading propaganda, that takes the biscuit. First, that may merely reflect the fact that more people are ill under this Government, as a result—*[Laughter.]* Before hon. Gentlemen laugh, perhaps they will listen to the consequences of their actions — of the trebling of unemployment, the halving of housing investment, the doubling of poverty, the weakening of controls over health and safety at work, and the huge extra burden placed on women forced involuntarily by the Government to care, unpaid and unsupported, for ill or elderly relatives under the fiction of community care.

Secondly, it involves no credit, even if true, to the Government. It simply is an index of overworked nurses, ancillary workers and doctors. But, thirdly, it is not even true. It is a measure not of more in-patient cases but of episodes—the number of discharges from hospital added to the number of deaths in hospital. Indeed, if more people die in hospital or more people have to be readmitted twice or more in the same year, that is scarcely an indication of greater medical progress.

The leaflet says that 35 new hospitals have been built. What it does not say is that 220 hospitals have been closed. The leaflet says that 11,000 new beds have been brought into service. What it does not say is that the overall average number of available beds in the National Health Service has decreased by 12,900. The leaflet says that waiting lists have been reduced since 1979 by 8 per cent. What it does not say is that every other comparison made in the leaflet is with 1978, and that on that basis waiting lists have increased by 15 per cent.

The leaflet says that there are more nurses and midwives working in the National Health Service. What it does not say is that most of that is accounted for by the reduction in the working week which automatically increases the number of whole-time equivalents in post and the rest of the increase, given that the birth rate has increased by about 5 per cent. over these same years, is no more than necessary simply to keep pace with extra demand and so on. Far from the National Health Service being safe in Tory hands, not even National Health Service statistics are now safe in Tory hands.

Mr. Chapman: Anxious as I am sure the hon. Gentleman is that there should be a constructive debate on the National Health Service, will he recognise that under this Government resources in the National Health Service have increased by 20·5 per cent. in real terms, measured against the retail price index? Is he saying that, had a Labour Government been in power, the resources would have increased beyond that point?

Mr. Meacher: Will the hon. Gentleman also take note that the RPI is an extremely inappropriate indicator of the growth of National Health Service resources, as the Minister of State will be the first to admit, because National Health Service pay and prices increase faster than the RPI? When that is taken into account, and 1 per cent. extra resources are needed each year over and above inflation because of the greater number of elderly people, plus an extra 0·5 per cent. over and above inflation for the costs of medical technology, he will realise that the increase, if it exists at all, is almost nothing. But that is the past, with which I will deal later.

One does not have to be a statistician to know that things are going badly in the National Health Service. Just ask anybody in the street. Ask the 3·5 million people living in north and west London, Hertfordshire and Bedfordshire, where more than 2,000 beds and nearly 5,000 Health Service jobs are to go in the next 10 years in order to cut no less than £47 million from the budget of the north-west Thames area. Ask the 180 patients on Guy's hospital waiting list for open heart surgery who were told that the quota for operations was already overshot so they would have to wait until the end of a financial year. I know that they were reprieved at the last moment by a private donation from America, but the National Health Service should not have to depend on private philanthropy from

[Mr. Meacher]

wealthy foreigners. If the Government are so keen on private charity, why do they not cut defence expenditure in the way that they have cut expenditure on the National Health Service and introduce instead some flag days for Trident?

Mr. Patrick Nicholls (Teignbridge): Does the hon. Gentleman not realise that the picture which he is painting was completely contradicted last year by a publication called "Cost containment in health care"? It is clear from that publication that the picture which the hon. Gentleman is painting of increased queues and cuts is completely wrong. That publication was not written by a Tory supporter but by Professor Abel-Smith, a former special adviser to two Labour Secretaries of State. Is the hon. Gentleman going to address that sort of evidence as well?

Mr. Meacher: I suggest that the hon. Gentleman should ask members of the public what they feel about the state of the National Health Service. He should ask them whether they feel that the National Health Service in their area is expanding or contracting. I do this regularly and each experience leads me to believe that there has been a continual catalogue of cuts, that 220 hospitals have been closed, that the number of beds — even taking into account the extra beds that have certainly been created —is decreasing and that the National Health Service is in decline. That is the national view, and it is correct.

Mr. Dennis Skinner (Bolsover): Will my hon. Friend remind the Tories, when they talk about facts in the National Health Service, that 1,000 people died last year because they could not get a kidney machine in this starved Health Service? They did not get a reprieve. Two thousand people died of cervical cancer. They did not get a reprieve. Five thousand people died of breast cancer. They did not get a reprieve. Those are facts that have been brought about because the Government are prepared to spend more money on Trident, cruise missiles and so on than they are on the National Health Service. Those are the real facts.

Mr. Meacher: My hon. Friend is absolutely correct. Indeed, he anticipates much of my speech. I therefore suggest that Conservative Members might ask the views —this is precisely the point my hon. Friend has been making—of the 1,000 women who, as my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) has very tellingly revealed, die needlessly each year because the Government have lamentably failed to establish a national comprehensive call and recall system for cervical cancer screening, or ask the views of those patients, often in pain and discomfort, who have to wait for more than a year to get treatment. According to the College of Health, there is no less than 75 per cent. of patients needing orthopaedic treatment in Southampton today, 62 per cent. of patients needing gynaecological treatment in Northamptonshire, 71 per cent. of patients needing ENT treatment in Grimsby. They should ask the views of patients who die of old age before they can get to the top of the hip replacement waiting list.

Mr. Kenneth Hind (Lancashire, West) *rose——*

Mr. Meacher: I am suggesting—*[Interruption.]*

Mr. Hind *rose——*

Mr. Deputy Speaker (Mr. Harold Walker): Order. It is quite clear that the hon. Member for Oldham, West (Mr. Meacher) is not giving way.

Mr. Meacher: I am suggesting the number of persons whom right hon. and hon. Conservative Members might find it profitable to consult about their attitudes towards the National Health Service today, because their attitudes are very clear. The Minister might like to ask for the views of the parents of some of the 6,000 premature babies born each year who need intensive care to survive, but who are turned away because financial cuts prevent the employment of sufficient nurses to look after them; or, as my hon. Friend, the Member for Bolsover (Mr. Skinner) rightly said, the 1,500 kidney patients who each year have their death warrant signed when they are denied access to the kidney dialysis machines that they need to keep alive.

Mr. Douglas Hogg (Grantham) *rose——*

Mr. Meacher: These people are denied assistance on the ground that insufficient money is available to provide all the machines which are needed, while at the same time the Government are spending £13 billion on the Trident nuclear weapons system. I could go on with examples, because the list of cuts and those affected is indeed a long one.

Mr. Hogg: Will the hon. Gentleman give way?

Mr. Meacher: The hon. Gentleman is not normally seen as one with much experience of the NHS but, as he is pressing me, I shall give way.

Mr. Gregor MacKenzie (Glasgow, Rutherglen): On a point of order, Mr. Deputy Speaker. Would you remind hon. Members that it is the normal convention and courtesy of the House to listen to other hon. Members who are speaking? If hon. Members choose to intervene, as the hon. Member for Grantham (Mr. Hogg) is doing, they should be present at the beginning of the debate. That is a convention of which most of us approve, and we should like hon. Members to be reminded of it.

Mr. Deputy Speaker: I do not know how hon. Members regard the conventions of the House. The hon. Member for Oldham, West (Mr. Meacher) did give way to the hon. Member for Grantham (Mr. Hogg).

Mr. Hogg: Why does the hon. Member for Oldham, West (Mr. Meacher) spend such a long time grumbling about expanding waiting lists when he supported the strikes that contributed to their expansion?

Mr. Meacher: The Government should recognise that £50 a week is a disgracefully and unacceptably low wage for any person when the average wage is £160 or £170 a week. The hon. Gentleman should recognise that we are defending a principle of minimum pay. If he has any decency, he would regard that as a sum that other people deserve to have.

Mr. Jeremy Corbyn (Islington, North): Is my hon. Friend aware that many NHS workers, despite being the lowest paid workers in the public service, have sought first and foremost in every dispute that they have had with their employers to defend the NHS and its service, despite the Government's efforts to split health workers from the NHS and from the patients that they are there to look after?

Mr. Meacher: I must make progress with my speech. I shall confine myself to one point. For all the reasons that

I have given, we insist, in contrast to the Government, that, although better value for money is desirable and should be striven for, it is not and never can be a substitute for adequate funding. The Government have preferred to lavish huge increases in real expenditure on defence and law and order, even if it means starving the NHS.

The Government like to pretend that they have safeguarded the NHS, but their figures show that they have not. According to the Government, between 1978-79 and 1984-85 real input volume expenditure — which is a relevant measure — on hospital and community health services grew by 5·7 per cent. The Government have estimated that, over the same period, demographic changes increased the demand for hospital and community health services by 4·7 per cent. and that the implications of technological advances involved a further 3 per cent. increase in expenditure — a total of 7·7 per cent. Because hospital and community health services expenditure has not been increased over the past six years to keep up with the dual demographic and technological pressures, we are right to insist that NHS spending has been cut in real terms since 1979. That is all according to the Government's data.

The figures given to me three weeks ago on 7 June by the Minister of State revealed that, in five of the six years under this Government, real expenditure in terms of NHS pay and prices has declined in comparison with demographic and technological demands. I hope that Conservative Members note those facts, because they are the Government's case.

Sir Peter Hordern (Horsham): The public expenditure White Paper contained a series of measurements of efficiency and output in the NHS. There are 24 separate measurements of activity in the NHS. Can the hon. Gentleman mention a single one in which the record is not substantially better than it was in 1978?

Mr. Meacher: Certainly — the one that I was quoting, which is table 1 from the DHSS's evidence to the Select Committee on Social Services whose fourth report for 1983-84 was entitled, "Public Expenditure on the Social Services".

That is the past, but the future is bleaker still. The Government's public expenditure White Paper reveals that the proportion of the nation's resources spent on health will decrease over the next few years. By 1987, the Government may well be spending not even the present inadequate 5·7 per cent. of GDP—which compares with 8 per cent. for France and Germany and 9·5 per cent. for America—but probably less than 5 per cent. That is the measure of the shortfall in expenditure on the NHS under this Government, when each 1 per cent. of GDP amounts to £3·4 billion. If we instead spend the same proportion of national resources on health as the United States, there would be an extra £14 billion in the Health Service budget this year. I am not saying that that can be done immediately, but it is a measure of the shortfall and puts into perspective some of the Government's niggardly penny-pinching on the NHS.

The Government have one more shot left in their locker. They like to insist that efficiency savings — or cost improvement programmes, as I think they are now equally euphemistically called — have added considerably to the resources available for health care. Last year, that amounted to £100 million, which is 0·5 per cent. of the total NHS budget. What is so specious about that argument is that these so-called savings are often achieved at the expense of reductions in maintenance and repair work, land sales and the postponement of new projects. In other words, savings are secured today but only at the expense of storing up greater problems tomorrow. That is especially serious for the NHS which, unlike industrial corporations, makes no budgetary provision for capital depreciation. The need to replace buildings and equipment as they wear out is becoming an increasing burden on the same budget that pays for new developments.

We are witnessing what operation candle-ends has brought us. Morale among staff has plummeted. Last week, the *Nursing Mirror* published a stress survey which stated:

> "The replies came thick and fast showing many nurses feel overtired, inadequately trained and unsupported in the current climate of NHS cutbacks."

It reported that, in the past year—*[Interruption.]* I hope that Conservative Members will pay attention to what nurses feel, because they are the backbone of the NHS. The *Nursing Mirror* reported that, in the past year, two out of every five qualified staff had often reported to a senior member of staff that resources or staffing were dangerously low. It reported also that one in every three learners said that they often had been left in charge of a ward with no qualified staff present. That is intolerable.

An equally serious consequence of operation candle-ends is that no, or virtually no, new funding is ever made available for the whole range of new needs that are steadily uncovered—for research and treatment to counter AIDS, for well women's clinics, for the build-up of a genuine community care network of services, for preventing fresh outbreaks of legionnaire's disease, for a proper cervical screening recall scheme, for strengthening primary health care where it is needed in the inner urban areas, for containing and treating the spread of hard drugs, for reducing class differentials in infant mortality which are still far too wide, and so on.

Dr. Brian Mawhinney (Peterborough): I am grateful to the hon. Gentleman for giving way. He knows that I always listen carefully to what he has to say. The hon. Gentleman has produced what he believes to be a compelling catalogue of alleged cuts in services and a catalogue of areas in which he believes that the Government are guilty of not providing resources. How many of those things would he intend to put right if he became a Minister and how much extra money would he plan to spend on doing so?

Mr. Meacher: The Opposition have made it clear that we would not have increased defence expenditure by 3 per cent. in real terms for the past six years. If that money had gone to the Health Service, there would have been about £3 billion extra health provision. We would redistribute from the rich to provide public services for all citizens. We are also committed to reducing the dole queue by at least 1 million within a five-year period. That would release a further £7 billion to £10 billion.

A candle-end philosophy gives no leeway for redressing long-standing grievances such as the unduly low pay of nurses and ancillary workers without drastic redistributary consequences for the rest of the Health Service, which is already stretched to breaking point. It is moral blackmail to insist that a 5·6 per cent. pay award to nurses, inadequate though it is, shall be funded in as much as it

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exceeds 3 per cent. either by cuts in nurses' jobs or by cuts in services to patients. For most district health authorities this will mean a budget reduction next year of between £1 million and £1·5 million. That cannot be achieved without a significant and damaging reduction in services to the public.

In Brecon, such a reduction would have led to the closure of St. David's geriatric hospital, but this hospital was mysteriously reprieved three weeks ago. It appears that a by-election is the only device known to man which offers protection against closures by the Government—a by-election which the Tories look like losing. I hope that the electorate is aware of that.

It is no accident that the Government have adopted this candle-end policy towards the NHS. Such a policy deliberately opens the way for the Government to hive off the Health Service bit by bit to the private sector and to create a two-tier service. That is the whole purpose of Toryism. Such a policy allows the Government to commercialise the NHS and to appoint bankers as general managers, as the Secretary of State did in West Sussex; to appoint business men instead of general practitioners as chairmen of family practitioner committees, as the Secretary of State did in Newcastle; to flood health authorities with Tory party hacks, as the Secretary of State has done almost everywhere; and to appoint as chairman of the new NHS management supervisory board Mr. Victor Paige who, at his first press conference, said that he and his family never used the NHS because they had private health insurance. When Mr. Paige was asked what he knew of NHS management, he replied that he had been chairman of the National Freight Corporation and the Port of London Authority.

The Government's policy is ugly and has ugly consequences for the NHS. Widespread corruption in private medicine has been revealed by the Comptroller and Auditor General, and standards have been skimped in many privatised services. There is profiteering by Tory Members from consultancies or directorships in companies now making lucrative pickings in the Health Service market. Indeed, the list of those with a place on the privatisation gravy train reads like a roll call of the modern parliamentary Tory party. We despise such a philosophy.

Mr. Keith Best (Ynys Môn) *rose*——

Mr. Meacher: The Government are soft on private medicine. They have built up the private sector so that it now undermines the National Health Service. Our commitment is wholeheartedly and unequivocally to support a Health Service which provides the best possible medical care for all citizens, not just a privileged and pampered few. The Government are obsessed with cost cutting and with greater managerial efficiency even if the patient dies. Our commitment is to a new, wider vision of health care with more emphasis on prevention and public education. The Government have ruthlessly deployed patronage to destroy democracy in the National Health Service and they have centralised decision making in Whitehall. Our commitment is to a new democratic structure which will make local management and local services directly accountable to the local electorate.

The Government have done their best to dismantle the NHS. Our commitment is to making it once again the provider of the best possible medical care in the western world—and that is what we shall be voting for tonight.

5.5 pm

The Minister for Health (Mr. Kenneth Clarke): I beg to move, to leave out from "House" to the end of the Question and to add instead thereof:

'applauds the improved levels of service to patients achieved by the National Health Service and its staff under this Government; congratulates the Government on making this possible through its record of increasing expenditure on the Service; welcomes the fact that improved levels of service have been achieved while the pay of nurses has been raised by 23 per cent. in real terms; and supports the Government's determination to ensure, through improved management and greater efficiency, that maximum benefit is derived for patients from the resources available to the Service.'

I am sorry that the hon. Member for Oldham, West (Mr. Meacher) gets such a rough ride when understandably he is in a rather more subdued mood than on previous occasions. It should be obvious to him that he is causing increasing annoyance by wheeling out the same speech and the same motion so regularly. I suspect that he is also causing increasing tedium among the Opposition. The motion has such a familiar air that in my view it comes close to being an abuse of this House.

The motion is a travesty of the facts. It is based on the fiction, constantly and persistently repeated by the Opposition, that the Government have been making cuts in the National Health Service. I realise that the Opposition believe that there is political value to be gained from repeating that fiction and no doubt the hon. Gentleman believes that he has created a mood that is receptive to that in some parts of the country. However, the Opposition should reflect on the fact that their continued assertion and ingenious use of statistics to support their claim actually lowers the morale of staff who are achieving a great deal and causes dismay, anxiety and considerable fear among the public.

I shall use the kind of statistics that Governments have always used to show that the National Health Service has greatly improved in recent years, that it has expanded its services to the public under the Conservative Government and that services continue to develop and improve.

Mr. Robert Hughes (Aberdeen, North): I shall give two simple facts to the Minister, which are not statistics and can be easily checked. Is the Minister aware that an eminent doctor arrived in Aberdeen recently to take up a post and was shocked to discover that in the Aberdeen hospital cleaning was done daily whereas the hospital in England which he had left was lucky if there was enough money to have it swept once a week?

Secondly, will the Minister comment on the situation at the Royal Free hospital where the kitchens are in a disgusting state and infested with cockroaches? The hospital administrators say that they cannot improve the kitchens because there is no money available. How can the Minister say that the Government have a commitment to the Health Service in those circumstances?

Mr. Clarke: The Opposition are scraping the barrel by resorting to an anecdote about the report of a man in Aberdeen to substantiate what is meant to be an Opposition Supply day motion. The deplorable state of affairs in which cockroaches infested a kitchen arose from a low

standard of hygiene. The Opposition must be desperate to try to make politics out of cockroaches. Plainly kitchens where cockroaches occur need to be cleaned with more care and efficiency.

The hon. Member for Oldham, West did not merely resort to anecdote. He continually strives to produce factual support for his assertions. He uses strange statistics, which must be read with the greatest care to discover the footnotes which surround them, and he goes in for partisan descriptions of particular local circumstances. I can tell when a debate such as today's is about to take place because written parliamentary questions begin to flow in to my Department while the hon. Gentleman tries to find his version of the figures. He and his research assistant occasionally make errors because sometimes I am asked the same question twice. I then have to refer him to the earlier answer. The subject matter of the question is a guide to the hon. Gentleman's intentions.

The hon. Gentleman always stipulates his measure of inflation, relies on particular notional figures for demand, for which he wishes measurements, and concentrates heavily, as in this motion, on beds and the number of bed closures. His motion glides over the fact that the Labour Government closed 15,000 beds as part of their rationalisation and modernisation of the service. The number of beds in the NHS is affected by changing medical practice. Historically and nationally, individual patients stay in hospital for shorter periods. Moreover, there is more day surgery. Therefore, more patients are treated with fewer beds.

We are not concerned with hospital furniture, spurious notional statistics or solely with money, as even the hon. Gentleman said. His pages and pages of *Hansard* questions and speeches try to get round a few incontrovertible facts about spending. He must face the fact that there has been an increase in NHS spending as a whole of 20 per cent. above the general level of inflation since the Conservative Government came to office. If spending is compared with the general level of inflation —the GDP deflator—it shows that we are spending one fifth as much again as the Labour Government were in 1979. The nearest that the hon. Gentleman got to conceding that that was the bedrock behind his arguments which he could not shift was to say that the increase in spending was "almost nothing". We are spending one fifth as much again as the Labour Government, and all his wriggling will not enable him to get round that fact.

Mr. Cyril Smith (Rochdale): Does the Minister understand that some hon. Members are greatly concerned not about mathematical proportions, but about whether or not sufficient money is being put into the NHS? He has just rejected the argument about furniture. I regret that rejection because in the Rochdale health authority 54 beds must be closed in acute specialties, in addition to the 56 which were closed last year. Further, 82 members of staff must be made redundant in the next 10 months, if the north-west regional manpower statistic is to be achieved. Whether or not the Government have increased expenditure on the Health Service, is it not a fact that there is insufficient money in the NHS to deal with present needs?

Mr. Clarke: I agree with the hon. Gentleman that we should be discussing whether sufficient resources are going into the NHS and, like the hon. Gentleman, I refute the absurd statistical maze into which the hon. Member for Oldham, West keeps leading us.

Mr. Meacher *rose*——

Mr. Clarke: I must finish with one intervention before I listen to another.

Reductions in beds have taken place continually under successive Governments as surplus facilities in a locality are closed, either because modern medicine can deal with the same number of patients faster or because those facilities are being replaced. That is inevitable, if the service is to change, evolve and keep up with modern medicine.

Regarding staff, our manpower targets for all regional health authorities are being undershot because greater efficiency and productivity is in some places producing staff savings and in others greater deployment of staff, especially nurses. The north-western manpower figure is far above the figure in post at present, and I assume that any reductions in Rochdale result from the better deployment of manpower. The Government's manpower targets are not below the present number of people employed by health authorities but above it. We want reductions in unnecessary staff, and administrative and clerical staff. We are glad about the continuing increase in the number of nursing, professional and technical staff in the service.

The best answer to the hon. Member for Rochdale (Mr. Smith) about how we should measure whether adequate resources are being made available, which is what matters everywhere, is not to argue about beds and notional levels of demand, but to examine patient services in England. Yet the hon. Member for Oldham, West never asks me about patient services. Patients are irrelevant to his written questions. I shall show the hon. Gentleman our success by comparing the 1978 and 1983 figures. Today, he made a ludicrous attempt to get round them to support his case about so-called cuts.

There are 650,000 more inpatient cases in our hospitals now than five years ago. The hon. Gentleman tried to knock that fact down by saying first that perhaps more people were ill, which is a preposterous proposition, and secondly that the measurement used was of deaths and discharges, which, as he well knows, is always used for the number of inpatient episodes and cases. There is no other measurement of the number of patients in hospitals. Most patients are discharged, but a few, unfortunately, die. The two figures are added together to establish the number of inpatient cases. Both the Labour and Conservative Governments have done this calculation. If the number of patients who die is ignored, the measurement will be different, but it will not measure hospital activity. It is absurd to try to escape the fact that 650,000 more patient cases are now treated in hospital each year and to say that the service is being cut.

Similarly, there are 250,000 more day cases each year than when the Labour Government were in power. There are 2·5 million more outpatient attendances than under the Labour Government. Heart bypass operations — a priority operation which the hon. Gentleman often cites —have trebled since we came to power. In 1978 the figure was 3,191, whereas in 1983 it was 9,443. Hip replacements—an operation which is waited for with impatience — have increased by 30 per cent. in five

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years. New renal patients admitted for treatment have increased by more than 60 per cent. In 1984, kidney transplants totalled 1,470, which was an increase of 35 per cent. over the previous year alone, and is the highest figure in western Europe. Regarding service in the community, health visitors and home nurses visited and treated 650,000 more people each year, 250,000 of whom were elderly, than under the Labour Government.

It is preposterous in the light of those figures to assert that we are cutting the services because plainly we are increasing the volume of services to patients. My hon. Friend the Member for Horsham (Sir P. Hordern) intervened, and I join him in challenging the hon. Gentleman or the hon. Member for Holborn and St. Pancras (Mr. Dobson) to find a significant part of the service where the quantity of service has diminished. They know that they cannot. The challenge mounted by the Opposition depends on ignoring those national figures, which show a substantial growth in the national service, and on resorting to anecdotes about a kitchen here, a ward there, a man in Aberdeen and ear, nose and throat cases in Grimsby. That is all held together with placards and banners of support for the NHS, and the assertion that a rapidly expanding service is being cut.

Mr. Frank Dobson (Holborn and St. Pancras): Is it an anecdote or an official DHSS figure that the hospital waiting list in the Bloomsbury health authority, part of which I represent, is 12,697 people long, while his Department urges that health authority to reduce its acute beds by 150?

Mr. Clarke: I shall come to the question of Bloomsbury after I have dealt with London generally. The Opposition must face the policy of regional allocation of resources, which they started and which the Government have continued. The problem of the surplus of acute beds in London, identified under the Labour Government and this Government, cannot be dealt with simply by cutting patient services. We must follow the logic of the policy and alter the allocation of services, especially in London. The hon. Member for Holborn and St. Pancras—as a London Member—constantly challenges the regional allocation of resources and the policies of successive Governments in seeking to achieve a fairer distribution.

If we are to have a reasonable debate, the Opposition parties must decide what their position is on the RAWP formula. It was introduced by the right hon. Member for Plymouth, Devonport (Dr. Owen) when he was Minister for Health in the Labour Government. It has usually been supported in general terms by the spokesmen of both Opposition parties. The distribution of resources should be based on an all-party approach. I regret to say that most Labour spokesmen tend to be in favour of fairer allocation of resources when they speak in the north of England and against it when they come down to London. The hon. Member for Holborn and St. Pancras has a special interest in resisting its implications.

Mr. Andrew Rowe (Mid-Kent): Those of us who represent the Medway towns are especially grateful for the way in which the allocation procedures are working. For the first time for many years we are beginning to see the necessary improvement in the services that is consonant with our growth in population. That has been achieved because London has been persuaded to disgorge some of its surplus.

Mr. Clarke: I am grateful to my hon. Friend. My hon. Friend's constituents are benefiting from a policy started under the Labour Government but pursued with more vigour and consistency by the successor Government. It is still supported by the alliance as far as I am aware. The all-party consent on that policy has produced a fairer distribution of resources between the south-west and the north and, as my hon. Friend the Member for Mid-Kent (Mr. Rowe) rightly pointed out, between London and the rest of the south-east where there is an unfair distribution.

Contrary to the allegations of *The London Standard* and Labour Members, the policy is producing a change in the way in which services are provided to the inhabitants of the home counties and not a cut in patient services. If we are to have RAWP—I challenge anyone to say that they will abandon RAWP or some equivalent, and certainly I challenge him to say that in Bolton, Wigan or Sheffield—we must face the logic of the policy. If it is pursued, there will be a change in the pattern of services in London.

London services have improved under the Conservative Government. The number of inpatients treated in London hospitals is up 10 per cent. The number of day cases is up 70 per cent. Since 1979 the number of outpatient attendances in London is up by 250,000. But we shall not continue to provide the same services that were provided in over-resourced inner London.

We must preserve London hospitals, especially the teaching hospitals, as centres of excellence. The country looks to centres such as St. Thomas's, Guys and Westminster as examples for national services. London hospitals should also provide local services to central London constituents who are on waiting lists which they share with others from all over the country who are diverted for treatment to London hospitals. Routine services should no longer be provided in central London for these other patients. They should be provided in new hospitals that the release of resources enables us to provide in the home counties. The people of the home counties would prefer to have their services closer to hand and would rather not use the southern electric or other train services to central London, as long as they are satisfied that the right service of the same quality is available near their homes. That was the logic of the policy that the Opposition introduced when in government and the logic of the studies that they carried out. Our studies show a surplus of acute beds in central London and a need to redistribute. Now that we carry out the policy, the Opposition make shallow party political capital and cite anecdotal evidence about changes in Bloomsbury which have inevitably followed the more sensible redistribution.

The surplus of acute beds can be reduced because we have restored the capital programme. We are providing the new district general hospitals needed to deliver services where the patients live. The Labour Government cut the capital programme by one third. They caused huge delays to the hospital building programme throughout the country. We have restored the capital programme and we are building hospitals all over the country, especially round London.

Some of the hospitals that we have started and opened as a result of the restoration of the capital programme are in London and the home counties. I will cite some of the

hospitals and major schemes that have been carried out under this Government since 1979. Apart from all the places in the north and elsewhere, we have carried out major schemes at Hemel Hempstead, Watford, Colchester and Homerton in Hackney. I include in my list the new phase 1 of the Newham hospital. Other major schemes include Lewisham district general hospital, Maidstone district general hospital, Orpington, the new Mayday hospital at Croydon and the two blocks at St. George's hospital at Tooting.

The capital programme has provided spanking new high-quality district general hospitals in parts of the home counties from which previously patients had to go to Guys, St. Thomas's and Barts. Inevitably that has enabled us to rationalise the service in central London and has enabled Bloomsbury and others to release money for the home counties and for the community services, which the inhabitants of Holborn and St. Pancras also desperately require.

Mr. Dobson: Will the Minister tell us when the average capital spending of this Government per year is expected to reach the average capital spending per year of the previous Labour Government?

Mr. Clarke: The hon. Gentleman is learning quickly from his hon. Friend the Member for Oldham, West. He has chosen to ask me about a marvellous statistic. He knows that the Labour Government inherited a high-spending capital programme from the Conservative Administration who preceded them. The level was rising in 1975 and 1976 as the Heath Government's programme came on flow. However, the Labour Government cut that programme by a third in 1976 in real terms and it never recovered until 1979.

Mr. Dobson: What was the average?

Mr. Clarke: The hon. Gentleman wants me to produce the average between the high level of the programme initially and the level to which it dropped. The present Government inherited a low-spending Labour programme——

Mr. Dobson: The level of the programme went down first when the Conservative Government took office.

Mr. Clarke: The pipeline was showing a decrease. I accept that at first the level of the programme went down. Since then, as the hon. Gentleman knows, it has steadily gone back to what it was. The pattern of capital spending is a high capital programme cut by the Labour party and a low capital programme increased by the Conservative party, with a Labour trough in the middle. And what does the hon. Gentleman want to know? He wants to know the average.

Mr. Humfrey Malins (Croydon, North-West) *rose——*

Mr. Hind *rose——*

Mr. Clarke: Minuscule fractions are involved but the average is almost the same.

Mr. Robert Hughes: I wish to inquire why the hon. Members for Croydon, North-West (Mr. Malins) and for Lancashire, West (Mr. Hind) are standing and holding up their hands. Will the Minister tell them that they may leave the Chamber if they wish to do so?

Mr. Clarke: I prefer that intervention to anecdotes about a man in Aberdeen.

I return to the capital programme, which has benefited London and the rest of the country. It cannot be denied that capital spending is vastly higher now than it was after the Labour Government's cuts in 1976. We have started major schemes on site during this year alone at Bridlington, Goole, Staincliffe, Stoke, Walsall and Oldham. Phase 1 of the new district general hospital is about to start at Oldham after the programme had been delayed by the Labour Government. We have 15 more schemes for the remainder of the year. I believe that I am entitled to assert that against that background it is nonsensical to claim that cuts are being made. It is unscrupulous nonsense for the Opposition to continue asserting it, using such fancy figures and denying the plain evidence of growth in patient services and the construction of new buildings to make a better service for the future.

Not all the money is going to new services. Some is going to pay, and particularly nurses' pay, which the hon. Member for Oldham, West chooses to make a cause of complaint in his motion. The Government can be proud of the way in which they have dealt with the nurses. The creation of the review body arrangements for them will be one of the major achievements of the Government in this sector, and a lasting achievement. When the nurses look back at the history of their pay settlements, they look to Halsbury, the benefits of which were entirely eroded after it was implemented during the period of Labour Government, when the real income of nurses fell extremely sharply, to 1979 and Clegg, although the nurses did not benefit so much from that.

Both those settlements were pre-election exercises implemented shortly post-election. Neither gave the nurses a lasting resolution of their problem. They now have an objective system. The Government have made it available to them, because we recognise their abstention from industrial action and the fact that the country, the Government, and the patients in particular owe them a great obligation. It is irrefutable that it is good news for nurses to have major pay increases, in the second instalment, particularly for the staff nurses and the ward sisters. It is irrefutable that it is a major advance for the nursing profession to have a lasting system.

There has been argument about how this award is to be paid for. I can give the English figures, which show that the cost of the entire settlement is £240 million in 1985-86. Health authority allocations in England alone have an increase in cash of over £500 million. The cost improvement programmes that we are achieving from greater efficiency—an object that the hon. Member for Oldham, West supports in theory but the products of which he derides in practice—will release at least £150 million in the estimation of the health authorities.

We paid the review body award in two instalments because that was our calculation, after some discussion with those in the field, of what could be afforded in this year out of the large budgets that we have given health authorities. It is obvious, apart from anecdotal evidence that the Opposition have produced from a few places, that pay for nurses and improving the services can go hand in hand if one continues to improve the way that the service is delivered, as the Government have.

Mr. George Park (Coventry, North-East): The right hon. and learned Gentleman referred to the nurses' award being in two stages. Does he deny that using this method

[Mr. George Park]

will cost a staff nurse £300 and a sister £700? He lauds nurses for the fact that they do not take industrial action. I am suprised that they do not.

Mr. Clarke: If the hon. Gentleman is encouraging nurses to take industrial action, that is even worse than the activities of his party in recent years. The settlement for the nurses this year means that all of them will immediately get 5 per cent. or up to 5 per cent. if their award is less. When the second instalment is paid in February, staff nurses will get an increase of more than 11 per cent. on last year's pay and a ward sister will get up to a 14 per cent. increase. Those are substantial pay awards, and it is ludicrous for Labour Members to suggest that that is an unsatisfactory settlement. That is not the view of nurses.

Mr. Charles Kennedy (Ross, Cromarty and Skye): The Minister keeps dismissing any criticism as being purely anecdotal. I appreciate that the figures that he has given are for England only, but the principle at stake is the same throughout the country. My health authority has told me that it is particularly worried about the potentially more serious financial problems for it because of

"the lack of knowledge about the Government's plans for funding the costs of these awards in 1986-87."

What will the Minister do by the autumn to fund those awards, because what he is claiming is a real increase now will shortly turn into a real cut?

Mr. Clarke: Health authorities will say things like that because they are firing the preliminary shot in this year's public spending round. They do not know what the total allocations will be in 1986-87, and never have known such figures. Under no Government have firm allocations for future years been announced in advance. The published plans in last year's White Paper show the Government planning to increase spending on the NHS by £2 billion over the next three years. This year's budget spending round in the autumn will settle the allocation to health authorities next year, and it is then that the Government will have to take into account everything, including the nurses' pay settlement.

It is no novelty when people do not know what their firm allocations will be. Each year, it is true of the entire public service that we have to say that next year's problems will have to be addressed when the Government address the question of public spending and produce the public expenditure White Paper.

One important aspect of service should be dealt with amidst all these statistics. I have concentrated on the volume of service that we are delivering and have tried to show how the changing pattern in service is taking place. I have concentrated on geography, but I shall also touch on the way in which we are trying to deliver a more modern pattern of service all the time. We are concerned about preventive medicine as well as curative medicine, and in particular about female cancers, a subject upon which the hon. Member for Oldham, West touched.

The hon. Member for Holborn and St. Pancras has run a great campaign about cervical cytology. He has used great skill, and he has done extremely well to make any political mileage out of an essentially non-political subject. As he knows, screening was introduced in 1966, since when there has been a national screening policy, which has been based at the national centre at Southport more or less ever since.

As far as I can see, during the period of the last Labour Government, no move of any kind was made on cervical cytology. No improvement was made in the screening or treatment services. One reason why this country is backward compared with many others is that 1974 to 1979 was a period of benign neglect of the subject. It was not tackled until 1981, when we had a look at the national screening system and replaced it with a local screening system.

The mileage that the hon. Member for Holborn and St. Pancras has made out of the subject comes about because, by careful research, he has shown that a number of health authorities were not following the Government's policy or the efficient care and the guidelines that we laid down two years ago. Every time we produce improvements in those guidelines or accelerate the process of computerisation or the introduction of call and recall schemes, the hon. Gentleman tries to turn that to his advantage by finding places where they are not yet up to the standards on which the Government are insisting and that we are about to begin achieving in practice.

Mr. Dobson: Will the right hon. and learned Gentleman confirm that the committee on gynaecological cytology advised the Government to set up call and recall schemes in every part of the country and that the Government ignored the word "call" and did not mention it either in the House or in the circular? The failure to get health authorities to establish call and recall systems has condemned more than 1,000 women to death each year simply because the Government did not accept the principal part of the committee's recommendations.

Mr. Clarke: The Government concentrated on local recall schemes to replace the national recall system at Southport. At the same time, we introduced the computerisation of patient registers, and age-sex registers, which are essential before one can have a call and a recall system. The hon. Gentleman is aware that a substantial number of family practitioner committees now have such systems and he knows that our policy is to have such systems in all FPCs.

I agree that there are 2,000 avoidable deaths, but numbers are coming down, although I should like them to come down more quickly. It is tasteless to pluck out of the air the figure of 1,000 people whom the hon. Gentleman claims are dying needlessly because of neglect by us. We are introducing a system into an area in which the Labour party when it was in office showed monumental inactivity and disinterest. The hon. Gentleman has latched on to two tragic cases in Oxfordshire to get greater publicity for his views.

Mr. Meacher: Cheap.

Mr. Clarke: With the greatest respect, Opposition Members cannot start cheerily talking about 1,000 needless deaths — using the language of the hon. Member for Bolsover (Mr. Skinner)—and then say it is cheap when I accuse them of making political capital out of tragic cases.

Breast cancer is another area where we must take action to protect women against a serious health hazard. The problem is not, as the hon. Member for Bolsover seems

to believe, one of neglect on our part. The trouble lies in finding a reliable method of screening for breast cancer to protect women. There have always been scientific doubts about the effectiveness of the various screening methods. Therefore, the Government have been financing a multi-centre United Kingdom trial as part of the search for a worthwhile screening method. But events have overtaken us. The recently-published findings of a study carried out in Sweden have removed many of the doubts previously attached to the value of mammographic screening for breast cancer, especially for women over 50.

Therefore, in accordance with our policy of keeping services up with modern technological developments, we have to take practical steps to formulate a policy. We have therefore asked Professor Pat Forrest, regius professor of clinical surgery at the university of Edinburgh, to chair a working group which will examine the information available in support of breast cancer screening by mammography. I have asked the group to consider the extent to which policy changes are needed towards the provision of mammographic facilities.

The group has also been asked to suggest a range of policy options and to assess the service planning the manpower and the financial implications associated with these options. I have asked Professor Forrest to let me have a report as soon as possible. We are issuing today the precise terms of reference and membership of the working group.

This should be the sort of issue which unites the House. We should, as the hon. Member for Rochdale says, be anxious to know whether we are spending enough on the Health Service and not get lost in a maze of figures. We should examine what is produced for the patients and consider whether we are catching up with the needs and expectations of the people. We should also be ready to change, and should not be defending old workhouses such as Thornton View, which the staff occupied for a time to try to stop the patients being moved to better accommodation. We should not defend every vested interest of the National Union of Public Employees, the National Association of Local Government Officers or some local interest group. We should be trying to get a better and more up-to-date service that can cope with the big demands such as the rising number of old people or the demands of changing modern technology.

Our concern is for a better and more modern welfare state. This Government are a reforming Administration in the best sense of the word. We are bringing to the National Health Service the qualities of better management, cost-effectiveness and clear decision-taking. These qualities are needed to support the efforts of doctors, nurses and all staff.

Our efforts, coupled with all the extra cash that we, on the taxpayer's behalf, are putting into the service, are producing a Health Service which supports our amendment and utterly refutes this ridiculous attack which has been mounted yet again, but probably for the last time on behalf of his party, by the hon. Member for Oldham, West.

5.43 pm

Mrs. Renée Short (Wolverhampton, North-East): I take a dim view of the Minister's attitude—he is not willing to listen to criticism from this side of the House. If he accepted that we are just as enthusiastic as I hope he is that the Health Service should be improved, we might make more progress.

When he says that nurses have left the service, he ought to be aware that 3,000 nurses left the service between March 1983 and March 1984. That is quite a large number. If he were to look at the reports that were produced by the Royal College of Nursing, for example, he would see why nurses have left the service.

The research commissioned for the Royal College of Nursing commission on nursing education gave clear evidence of the manpower crisis that will occur in nursing in the early 1990s unless something is done. The college has written:

"We believe that the inadequacy of the education and training of nurses is one major contributory factor to the high wastage rates among nurses."

Another survey, carried out by *Nursing Mirror*, said that many nurses leave because they feel too tired or stressed to work, but carry on anyway until they have to leave. More than 50 per cent. of respondents admitted that they had taken time off sick when they were not really ill. They felt that they could not carry on, as they were too fatigued and stressed to work.

Those are important contributory factors to nurses leaving the service. The Minister ought to find out why he cannot offer better salaries to nurses and recruit more nurses so that the burden and stress are reduced. Until that is done, the crisis in the nursing profession will continue. That crisis has a considerable and damaging effect on patients.

Mr. Laurie Pavitt (Brent, South): In regard to the Royal College of Nursing report, does my hon. Friend remember the recent statement in *Nursing Standard* that nurses are getting tired of the privatisation of auxiliary services as, in addition to their nursing duties, they are having to clean wards?

Mrs. Short: That is clearly not a nurse's job, and the Minister should do something about it.

The Minister criticises us for pressing for more resources in the NHS, but expenditure on health care continues to rise in all Western countries. If our expenditure is rising, we are not unusual. We are certainly not the leaders, as we are well below the OECD average and only Greece, which is much less wealthy than we are, spends less on the health service. That is a sobering comparison.

Dr. Mawhinney: The hon. Lady occupies an important position in the House. With the knowledge that she has accumulated in that position, can she tell us how much, in extra resources, should be devoted to the Health Service to meet the demands that she has in mind?

Mrs. Short: I shall not be led down that path because so many considerations must be taken into account. We are not the Government at the moment. I hope that, after the next general election, we will be, and that we shall be able to devote a greater proportion of gross national product to the Health Service.

Medical research has made massive and exciting progress in the past 50 years. As a result, many of the diseases that were killers have been eliminated or can be controlled. Tuberculosis, pneumonia and diabetes can all be controlled. However, because of this development, many people live much longer and greater demands are put

[Mrs. Short]

on the Health Service. Cost effectiveness has therefore become more important than cost benefit. In this decade, cost utility analysis, or the assessment of how modern treatment affects the length and quality of life, is more important, so of course the Minister has to be prepared to spend more on the greater number of patients who are living to 80 or beyond.

I am sure that the Minister is conversant with the Nottingham health profile, which is used to assess patients' progress and reactions to their condition. The method was used to assess women's health during pregnancy. Similar methods have been used in America to assess new methods of treating rheumatoid arthritis with oral gold preparations, for example. More recently, the method has been used to evaluate heart transplants at Harefield and at Papworth, as well as coronary artery by-pass patients. The results of those assessments will be interesting.

When asked, women are found to be most anxious about the lack of adequate screening for breast and cervical cancer, to which my hon. Friend the Member for Oldham, West (Mr. Meacher) has referred, when safe and sure techniques to detect both serious conditions early enough for successful surgery have been well known for years. This is not a new development, yet more than 2,000 women die each year from cervical cancer, including—and this is alarming—an increasing number of younger women. More than 20,000 women die from breast cancer each year. Yet proper screening and recall systems are not available. Why not?

Many thousands of people suffer from smoking-related diseases such as lung cancer, bronchitis, coronary heart disease and so on. The facilities for diagnosis and treatment are grossly inadequate. The Government are unwilling to forgo the money they receive from cigarette manufacturers—tobacco tax boosted by sales resulting from constant and specious advertising. I find it unacceptable and disgusting that the Government are willing to rely on funds from tobacco firms to supplement, for example, resources for the arts. The Government should take on board the question of tobacco advertising. Singers and dancers should not smoke, but many of them would be out of work were it not for the conscience money paid by tobacco firms to opera and ballet companies. It is difficult to reconcile that.

I hope that the Minister will respond positively to those serious matters. I hope that he will tell us what proposals he has to extend cancer screening for women, whether through general practitioners, well women's clinics, the Women's National Cancer Control Campaign, or the financing of a national call and recall system. Other than that, will he provide more resources for those organisations working within the community to provide a measure of screening for women?

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. John Patten): The hon. Lady was listening as carefully as I was to the remarks of my right hon. and learned Friend about cancer screening. He outlined clearly our women's health policy. I am sure that she will agree that one of the problems is not the provision of services but trying to persuade women of all ages—especially elderly women—to make use of the services. I hope that there will be bipartisan agreement across the Chamber this afternoon that we must all do more to ensure that women make use of the services. Any advice that the hon. Lady can give us about that will be very welcome.

Mrs. Short: It is all very well to say that we must persuade women to use the services, but unless facilities are available they cannot be persuaded. I am closely related with the Women's National Cancer Control Campaign. When our caravans go around the country, we do not find that we are short of women coming forward for screening. The Minister should look rather more carefully at that point and not assume that it is the fault of women for not coming forward, when resources and services are not available.

Screening is very much cheaper than treating a patient for deep, invasive carcinoma of the cervix or for breast cancer. The Minister should bear that in mind because it is cost-effective. The Select Committee's 11 members are closely watching the expenditure of the Department and the results of that expenditure in the NHS week after week, year after year. Over the years it has provided the Secretary of State with much more valuable ammunition to use in his battles with the Chancellor of the Exchequer for more resources for the care and treatment of patients. We would like some sign that that ammunition is being used.

Let us consider the problem of babies who die from serious handicap each year, many of whom need not die. Thousands survive serious handicaps that could be prevented. The rates in 1980 were a disgrace, when 9,000 to 10,000 babies died, but one third to one half of those deaths could have been prevented. Most of those babies were born to mothers in the lowest socio-economic groups and many to mothers in the ethnic minority groups. Poor nutrition, unwanted pregnancies, smoking and drinking alcohol were identified as causes.

In June 1984, the Select Committee published its first monitoring report on perinatal mortality. The rate has fallen — three cheers for that — but it has not fallen enough. The Government must do better — *[Interruption.]* I am telling them that they cannot sit back because there has been a decline and say that they have solved the problem — they must do better. We must provide the resources needed for the acceptance and provision of minimum standards of nurse staffing in the specialist intensive care units.

The Government must stop the enticement of nurses trained by the NHS away from intensive care units to private hospitals. That leaves NHS consultants with no alternative but to close some of their intensive care cots. That is scandalous. It means that they have to refuse to accept ill babies recommended by obstetricians in the peripheral hospitals. In other words, the Government should pay nurses decent salaries and generously recognise additional skills in specialised areas of the NHS. The Government are not doing that. Because the private sector offers higher rates, the nurses are enticed away.

Interesting proposals for the training of nurses have been made. The Judge report and the report of the English National Board for Nursing, Midwifery and Health Visiting show the need for reform and for a closer relationship between nursing education and higher education. Unless urgent steps are taken to improve nursing training, we shall face a serious crisis by the early

1990s. The present high wastage among nurses appears to be closely related to dissatisfaction with their training, their working conditions and their career prospects.

If higher education were to embrace education for nursing, as the reports propose, the pessimistic view of the Secretary of State for Education and Science about the decline in applications for higher education in the 1990s would prove unjustified. More women would be brought into the higher education system and the general level of training for the nursing profession would be greatly enhanced.

The Select Committee's report dealing with medical education and the career structure which was published in 1981 highlighted serious shortages in certain specialties of medical practice. It recommended a considerable increase in the number of consultants and a reduction in the number of juniors. I am glad to say that there was some improvement between 1980 and 1984, when the number of consultants throughout the country rose by 1,148. However, the British Medical Association said that that was not enough, and the Select Committee wanted progress to be made more rapidly.

Pathology is related to the problem of cervical cancer and breast cancer screening because specimens have to be examined by pathologists. The Select Committee identified that area as a shortage specialty in 1981, yet it still has a low rate of expansion—6·3 per cent. overall. There is still a shortage of those specialist scientists in the NHS to carry out the work that would accrue if more women were screened.

Obstetrics and gynaecology levels increased by 8·1 per cent., and both Royal Colleges recently expressed concern to the Select Committee about the slow rate of progress in those areas. In psychiatry, radiology and anaesthetics, expansion has been better—between 13 per cent. and 16 per cent. Therefore, there is a considerable difference between the specialties, with some making better progress than others. There still needs to be an increase in the number of consultants and a reduction in the number of juniors—then, the career imbalance will be rectified and we can realise the savings that will be made when many more patients are treated by fully trained doctors. We have reiterated that on many occasions, but I am not sure whether the Minister has taken that point on board. The savings in outpatient departments will be seen readily—with considerable relief to patients as well as relief to the expenditure of the hospital—when the Government fully implement the Select Committee's proposals.

Few junior posts have been closed or replaced by consultant posts following a loss of recognition for training purposes. Will the Minister now act on what we in the Select Committee said in 1981, and freeze all new senior house officer posts in England and Wales? Although he supported that proposal in the House of Commons 82/4 paper the number of SHO's rose by 5·1 per cent. between 1980 and 1984, contrary to what the Committee recommended, and contrary to what he said he would accept. Only between September 1983 and September 1984 has there been a tiny fall of fewer than 16 posts out of a total of 10,000. Clearly, there is a long way to go.

What is the Minister proposing to do now, in the light of our monitoring report, to bring about changes that will give better service and better value for money in the Health Service as a whole, and to individual patients who will be treated better by fully trained doctors?

What does the Minister intend to do to recognise alternative medicine — for example, chiropractic and homeopathic medicine — which has made so much progress in treating many difficult cases that orthodox medicine seems unable to treat? I refer particularly to all sorts of back conditions and back pain which result in millions of lost working days per annum and cost the Health Service a great deal of money. General practitioners are not able to deal with those patients adequately.

Sir John Wells (Maidstone): Before the hon. Lady leaves the subject of homeopathic and alternative medicine, I should like to ask my right hon. and learned Friend the Minister for Health whether he will pay particular attention to providing the same level of financial support, and perhaps increasing financial support, to homeopathy within the Health Service in view of the great consumer demand for that treatment. The hon. Lady has mentioned the need to review some hospital doctor posts. That is particularly important within homeopathy, where there is a grave danger of a decline in the number of hospital posts in that specialty. The hon. Member for Holborn and St. Pancras (Mr. Dobson) touched upon some giggly points about the Bloomsbury health district in an earlier intervention, but my right hon. and learned Friend will be aware that the Royal London Homeopathic hospital is within the Bloomsbury health district. The failure of that health district to give clear support to that specialty is a grave problem at present.

Mrs. Short: The hon. Gentleman has made his point very clearly and very well. I hope that the Minister was listening.

Mr. William Cash (Stafford) *rose*——

Mr. Deputy Speaker: Order. Many hon. Members are still waiting to speak, and interventions are made only at the expense of other hon. Members' speeches.

Mrs. Short: I shall stick to your ruling, Mr. Deputy Speaker, and not give way to the hon. Gentleman.

It has been estimated that back pain alone costs £156 million each year to treat, and it is not being treated successfully within the Health Service at present. I hope that the Minister will give more consideration to recognising homeopathic medicine, a matter referred to by the hon. Member for Maidstone (Sir J. Wells), and chiropractic medicine for treatment within the National Health Service.

I am glad that the Minister has taken steps to reduce the number of overseas doctors who have been brought into this country simply as pairs of hands who are being used particularly in the Cinderella specialties. We want to bring those doctors to Britain for postgraduate training, particularly in the specialties that their own people need. We must not exploit them here.

I hope that the Minister will show that there are ways in which we can save the existing resources that are spent on the National Health Service. I believe that we can give better treatment to patients if we listen to the good advice that comes from the Opposition and to the joint voice that comes from the Select Committee. Two of the members of that Committee are now in the Chamber.

Several Hon. Members *rose*——

Mr. Deputy Speaker: Order. This is a short debate. Short speeches will reduce the number of disappointments.

6.4 pm

Mr. Michael McNair-Wilson (Newbury): Anybody listening to a debate that is ostensibly about Government cuts in the National Health Service would expect the Opposition to prove conclusively that there was a forced reduction by the Government either in the financial support that they were providing or in the physical structure of the service in terms of fewer doctors, surgeons and nursing staff. In fact, exactly the opposite has been proven. Therefore, in those terms alone it seems that the Opposition motion fails.

The description by the hon. Member for Oldham, West (Mr. Meacher) of the National Health Service is very different from the one that looks after me three times a week. His description and his speech failed to deal with the real question, which is the continuing and evolving nature of the Health Service and what resources will be required as that evolution continues. The hon. Member for Oldham, West will probably remember the words of the annual report for the Health Service in England for 1984 that

"Needs will always be running ahead of what can be generally available and the pattern and organisation of care will always be evolving".

Because the Health Service is not a static service, we will continuously have to recognise that more and more resources will be required. We shall have to find ways of finding those resources other than by simply saying that the Government will spend more.

The advances in medical care — many have been referred to already in the debate, and I am the recipient of one of those advances — are expensive in terms of capital costs and the trained personnel needed to operate them. But they are all-important to the particular sufferers from the particular diseases. It is a brave man who will choose his priorities as to which disease should take pride of place when money is allocated.

I think that the House knows that I am personally involved in the treatment of kidney failure, having been on dialysis for the past 18 months. I am fortunate in being looked after in the Oxfordshire health authority area at the Churchill hospital. I am particularly fortunate in coming under the able leadership of Dr. Desmond Oliver. He has demonstrated that dialysis can be successfully given to children and through all age groups, even to those over 70. His example should be an example to all regional authorities of what can be achieved.

I am one of the lucky ones. I get dialysis. But, as we know, in many regional authorities, somebody of my age —I am now 54—would be refused dialysis, not because the Government said so, but because the regional health authority has chosen to allocate its resources in other directions. Now we are insisting that regional health authorities should treat 40 kidney patients per million on dialysis. The real figure should be 100, but to get there many more resources will be required, and if they are to be found they will have to come either from services already being provided or by more money going into the Health Service in that direction.

Put in those terms, can anyone say what the total sum is that should be spent on the NHS to achieve all the objectives that are worthy of support? The hon. Member for Oldham, West did not attempt to answer that. He did a bypass operation, and talked about other things that he would not spend money on. The fact of the matter is— and he knows it as well as I do—that this Government are spending more that his Government spent on health care. He knows as well as I do that if there is a shortfall in dialysis, it is not because this Government have decided to deny resources to kidney dialysis; it is because Governments of each party decided that resources had to be spread widely over a whole range of projects, so certain resources that were required did not necessarily go in the direction of any one treatment. I do not think that anyone would argue that that should be so.

So the question of resources seems to me to be the real argument in the Health Service, and to some extent it should not be a party political argument, for where is the gain? I have been treated by the National Health Service, as I have said, for the past 18 months. I spent at least eight of those months in hospital. I can only say to the hon. Gentleman that I have not noticed the cuts that he talks about. I have been in general wards. I have been having the same treatment as anybody else, and I can tell him only that there was no sense of scarcity of resources, of care, of consideration or of medical staff. I can speak only from my experience which I know is limited but which must be worth something, perhaps something more than the annecdotal evidence that we have heard in this debate.

Just the same, I agree with my right hon. and learned Friend the Minister for Health when he says that what is required is the channelling of resources towards patient care and away from administration. In the Oxfordshire health authority 36 per cent. of expenditure goes on administrative services. Overall in England the figure is 45 per cent. Anyone might argue that those figures are too high, that we should try to reduce that national figure of 45 per cent. to the 36 per cent. that Oxford achieves. In fact, Oxford might be able to reduce its figure still further.

Mr. Meacher *indicated dissent.*

Mr. McNair-Wilson: The hon. Gentleman shakes his head. I suggest he looks at the annual report for the Health Service in England and he will see, I hope, that what I have just told him is borne out by the facts. If I believe that administration is still taking too big a share of resources — and when I say "administration" I mean anything other than jobs done by consultants, doctors, nurses, physiotherapists, radiographers and scientists — I also believe that we ought to consider the nursing staff in the words of the hon. Member for Wolverhampton, North-East (Mr. Short). I am thinking in terms of raising the levels of that profession by recognising that qualifications should bring higher salaries and thus give nurses the incentive to obtain those qualifications and therefore greater skill.

We must consider the nurses' pay settlement because whereas we may say that an average of 8·6 per cent. is higher than anything that one can think of in the public sector to date, in fact it is 5·6 per cent. between April 1985 and February 1986. If the city editor of *The Times* is to be believed in the article he wrote on Saturday, inflation looks like turning out at 7 per cent. for the year. In those terms I find it difficult to see how nurses pay will stay abreast of inflation, which is surely a minimum requirement.

Mr. Lewis Carter-Jones (Eccles): Will the hon. Gentleman, in considering nurses, also please link — because he has experience of it—the technical people and the paramedical professions who have to undergo long

training periods and who start with minimum standards? I hope he will agree that they at all times should be linked to nurses' pay. Does the hon. Gentleman agree?

Mr. McNair-Wilson: I shall leave that question to one side. I do not know enough about their pay scales to talk with any objectivity. If I may, I will just stay with the nurses for the moment at least and refer to extra duty payments. There is uncertainty in the nursing profession about whether these payments will continue, whether they are going to be increased in line with inflation or whether there is any danger of them disappearing. Nurses wonder why there are payments made to doctors for what are called distinction awards when the same money is not made available to them. If one looks at the criteria governing the committee which makes these awards, it is difficult to see why nurses have been excluded from benefiting from the £52 million annually which is spent on these awards. I would ask my right hon. Friend to consider that point.

Before I leave nurses' pay, may I point out to him that district nursing officers, senior nurses, senior nursing officers and sisters, all earn less, according to the pay scales supplied to me by the Oxfordshire health authority, than the three level administrators: the district administrator, the principal administration assistant and the general administration assistant. As a patient I know which of those groups matters most to me and I suggest to my right hon. Friend that something might be done to bring nurses' grades more into line with those of the administration staff.

I should like to see my right hon. Friend's policy of channelling resources to patient care carried as far as it can go. I know there is controversy about privatisation most of which is spurious. Two of the hospitals I have been in have been privatised while I have been in them. I can only say as a patient that I have noticed no variation in the service provided. The service will be as good as the motivation of those providing it, not as good as the employer. If the motivation is there, the patient will benefit. If it is not, he or she will suffer.

Because I believe that the future funding of the NHS is such a key question, I want to refer to a personal experience within the last six weeks when I entered the Radcliffe infirmary in Oxford for two further operations. When I came to the admittance office I was asked whether I wanted to be treated on the NHS or as a private patient. I am a member of a private medical insurance scheme. I replied that I wished to be treated on the National Health Service. My answer was prompted partly by my admiration of the service, for it is a superb service, as I have said many times, but also because of that insidious propaganda which the Labour party has managed to convey, that to be treated as a private patient is to do something which is anti-social. It is to seek a privilege denied to lesser mortals, and, as a representative of the people, I should share the same treatment as the poorest of my constituents. During the weeks I lay in hospital I had time to reflect on my decision and I now realise that I made the wrong decision, not because I would have been treated better as a private patient—as it happens I would have been treated in the same ward in the same way—but because, by selecting the NHS rather than the private scheme, I denied the NHS the resources it would have derived from the private scheme, resources that could have gone towards treating somebody else. I believe that that denial of funds in my own terms was to me at least a turning point in my thinking about the funding of the NHS.

Recently I was reading some remarks by Mr. Bob Graham, the chief executive of BUPA. He said:

"Where locally there are NHS waiting lists and also spare capacity in private hospitals it is surely right, in order to relieve suffering, to bring the supply and demand together. It also makes sense for each sector to concentrate on what it can do best. The NHS does many things superbly well which the private sector could not hope to emulate, but which the NHS alone must do —casualty and emergency services for instance. But on the other hand a quarter of all hip replacements in Britain are now carried out privately, and the proportion is increasing. The stimulating combination of co-operation and competition between the two sectors is in my view a most practical step towards solving some of the health care problems in Britain . . . If a political party wants to provide the best health care for the electorate it must now take into account the growing resources and potential of the independent sector in its overall planning . . . Not to do so would be to defy logic, to frustrate freedom of choice, and would be a futile attempt to stem the tide of consumerism."

I find myself wholly in agreement with those remarks and I hope from now onwards we will not draw this artificial line, this line of animosity between the private and the public sector, but see one as complimentary to the other and both about the care of the patient.

6.19 pm

Mr. Charles Kennedy (Ross, Cromarty and Skye): Whatever the feelings of hon. Members on the issue, there can be no doubt about the respect with which the hon. Member for Newbury (Mr. McNair-Wilson) was listened to, given his personal experience. We all wish him good health and a continuing recovery from his illness. I will follow in a moment his theme—the general question, almost the philosophical question, of funding for the NHS.

It is worth reflecting first on some of the things that the NHS has had to grapple with in just the two years since the last election. In July 1983 the Chancellor announced the manpower and resources cut that caused great difficulty. A tier was abolished and we had the Griffiths report with all its implications and at times the controversy to which it has given rise. There has been rate capping, with its effect on joint funding of projects, particularly in the care and community programme.

Community care itself is now partially referred to in the social security reviews and will be used partly as a pump-priming exercise. We have had the limited list controversy, the privatisation of ancillary services and the recent decision on the pay review boards. I can understand the Secretary of State being anxious to bring forward another Green Paper on the reorganisation of primary care before the House rises for the summer recess.

That is an immense catalogue of things for any service, particularly one as fundamental and as complex as the National Health Service, to assimilate and carry through in the course of two years. Without doubt it is a mark of what the Minister was talking about, which is the radical approach that the Government have taken.

There are many sensible ideas incorporated in all those changes. This is very much a man-in-the-street opinion but I wonder if so many changes in such a short period can in the end be productive. With further changes and radical departures being promised, and indeed heralded by the Minister this afternoon, one wonders if health care will benefit.

[Mr. Charles Kennedy]

On the question of funding the Health Service and the cuts that it is experiencing, I think the House would be at one with the Minister when he says that there is infinitely rising demand, by definition, because of demographic changes, particularly with the growing number of elderly people, and because of the excellent but nonetheless straining pace of the growth of medical technology. People have greater aspirations and therefore make more demands on the system. Because of the ability of the Health Service to provide more sophistication in curing, new avenues of health provision are opened up.

All those things place demands on the system which any Government would find it difficult to meet. I know that the Labour Opposition do not agree with this, but I have said before that their promises about funding are not to be taken even at face value, far less with any seriousness. It is reasonable for any Government to try to set a target of 1·5 per cent. real growth per annum—in other words, to keep pace with the demands of the system and to try to find a bit extra to expand the frontier zone.

The Minister is also on reasonable ground to argue, as he does, that cuts in the number of beds do not always mean that there are cuts in health care. That is a blinkered approach that the Labour Front Bench would like us to believe. I would not deny for a moment that if a hospital ward can be organised more efficiently or if health provision can be made in such a way that, for example, geriatric beds are no longer occupied because people are being cared for in the community, that is a welcome development. On the geriatric front, I find it hard to believe that of the 10,000 beds that have been cut since 1979 — these are 1984 figures — every one of those signifies in the locality where the reduction has taken place a welcome corresponding provision in the community. The facts do not bear that out.

In relation to that, I was grateful that the Minister mentioned the resource allocation working party formula. He was right to point out that the RAWP approach continued to command support. The figures are worth considering.

Mr. Dobson: That was introduced by the right hon. Member for Plymouth, Devonport (Dr. Owen).

Mr. Kennedy: I am glad that we have been reminded that it was my right hon. Friend the Member for Plymouth, Devonport (Dr. Owen) who introduced it. Let us look at the figures to see what has been achieved. In 1979-80, the poorest health region was 9 per cent. below its RAWP target and the richest 13 per cent. above. That is a major disparity. By 1984-85, the range was 5 per cent. below to 9 per cent. above. The disparity is still there but the Minister is to be credited for continuing the implementation of a policy that is slowly bringing closer together within a narrower spectrum the disadvantaged and the more advantaged areas.

Mr. Dobson *rose*——

Mr. Kennedy: The hon. Gentleman will be replying to the debate and he can pick up the point then.

The RAWP formula was carried through before the International Monetary Fund crisis. At that point it was dependent on and envisaged economic growth. Clearly, in times of recession or economic stagnation, such as we have at the moment, it will cause the more advantaged areas not just to help disburse their above average quota but to suffer in the process. That is one of the reasons why the Minister spent some time defending his policy in regard to London.

In the longer term, as we move into the post-RAWP period there is a need to decentralise the Health Service further and to move towards an equalisation pool for funding so that we do not just use the RAWP formula as it stands but leave the way open for perhaps democratically elected health authorities themselves to consider ways of raising revenue locally on top of what would be available centrally.

Two other points have arisen on the motion and the amendment and on the topical issues under consideration. First, in regard to the pay award for nurses, midwives and health visitors, I appreciate that the Scottish health Minister is not present—I am not criticising him for that — but perhaps my remarks will be communicated to him. The principle involved is typical elsewhere in the country.

The Highlands health board has issued a consultative document which envisages major cuts in a variety of services, particularly maternity services, and also affects two hospitals. One geriatric hospital is to be closed down and another general needs hospital in my constituency is to be downgraded, because two new hospitals are being opened, one in Inverness and one in Wick. However, they are not receiving a penny extra from the Scottish Home and Health Department to provide the revenue costs to run the new buildings. Therefore, the revenue savings have to be found in other aspects of health care to run the hospitals that are coming on stream. We all want to see improved medical technology and welcome it without qualification but it is a "Yes, Minister" state of affairs to find that we can run new hospitals only by axing other facilities that are needed elsewhere in the community. That is unsatisfactory. It is similar in principle to the problem that my hon. Friend the Member for Rochdale (Mr. Smith) has been experiencing locally as well.

The problems faced by the health board in my constituency are likely to be accentuated because of the uncertainty of the nurses' pay award and its future funding, particularly in 1985-86. It is not enough for the Minister to say that this has always been the case, because it has not always been the case in the past that independent pay body awards have been thrown entirely on to the backs of health authorities and health boards — in other words, that a welcome and much-needed increase justly deserved by some sectors of the Health Service should be funded by cuts at the expense of patients and that health authorities should be left with unpalatable decisions. I do not think that the Minister can take responsibility on the one hand and then shrug it off on the other.

Looking to the Green Paper which we are expecting, it is surely unacceptable that the Government would ever consider moving towards privatisation of a general practitioner, family-based service. It is the backbone not just of the Health Service but in many ways of the whole structure of the family within the community. Although there may be a strong case to be made for some private health care, given the commitment which is at least expressed — I assume sincerely — on both sides of the House towards the National Health Service, free at the

point of use and funded out of general taxation, I cannot see, in the medium term at least, any more than marginal room for private health provision.

Therefore, in many respects the Government are to be held guilty for their handling of the Health Service, and the nurses, midwives and health visitors' pay award proves it. They are doing good things and they are doing some radical things and are to be congratulated on that, but on balance they are not showing sufficient responsiveness or understanding of the needs and the lack of resources in the Health Service. On that basis, along with my hon. and right hon. Friends, I will be voting for the motion this evening.

6.31 pm

Dame Jill Knight (Birmingham, Edgbaston): I find this motion extraordinary. After the case put forward from the Opposition Front Bench—I devoutly hope that the hon. Member for Oldham, West (Mr. Meacher) stays in that position—the call that faces the House in this motion must come under the head of special pleading, because it mentions cuts in funding, when all the Government do is pour more and more money into the Health Service. The hon. Member for Oldham, West said that the Government had put a bit more in, but said it was almost nothing—£10,000 million per annum almost nothing!

The motion mentions reductions in hospital beds, yet there are apparently more new hospitals being designed and built than at any time in the history of the NHS. The motion says that the nation's health is being undermined, but more patients are being treated and getting much more advanced and complicated treatment than ever before. Reflecting on this extraordinary catalogue of claims, it seems to me there can be little doubt that the Opposition are suffering from paranoia, schizophrenia, deafness or blindness. Whichever it is, they certainly need more money to be spent on the NHS for their own purposes.

The record of improvements in the NHS is far too long to go into in a short speech, so I want to mention just two things. The waiting lists are coming down, and this is a matter of great satisfaction, but may I suggest that my right hon. and learned Friend looks into the possibility of using more computers in waiting lists? I know that, in Birmingham, there are vacancies at once for some types of treatment for which patients in other hospitals are waiting needlessly. I should be pleased if he could look at that.

Then I should like to ask my right hon. and learned Friend to look at a matter which has been touched on in several speeches this evening — the question of spending. Every penny we spend in the NHS should be spent as wisely and as sensibly as possible. Would he therefore look again at what has perhaps been an unpopular policy in some parts of this House—the possibility of bringing in hotel charges for those who can afford them in National Health Service hospitals? I find as I go round the hospitals that many people warmly recommend these charges. They could be quite modest and I would not wish them to fall on people who could not afford them. They would have to pay for the cost of their food if they were still at home.

Other countries certainly use the system of hotel charges. I have some details about France but I will not weary the House with them now. Other countries have found great savings there. If there are 6 million patients a year, even if we charge five pounds a week, which would be a most modest amount of money, we should surely get more than £1,000 million a year from that alone. I know it has been said there are difficulties with administration, but I am simply asking my right hon. and learned Friend to look at it again. Many people in the Health Service want money spent wisely, and feel that there are savings to be made there.

6.35 pm

Mr. Jeremy Corbyn (Islington, North): I shall be brief because this is a short debate. It is regrettably short and I should say at the outset that my interests in the debate are the interests of someone who represents an inner city constituency suffering badly from cuts in the National Health Service expenditure and also as someone sponsored in this House by the National Union of Public Employees. I make no apology for that and it would be nice if all Conservative Members with shareholdings in private cleaning and catering companies also declared their interests during the debate.

The Minister mentioned the way that the RAWP formula operates. What he fails to understand is that the formula operates in London and the south-east to create a continual outflow of essential capital and revenue from the inner city areas to the suburban and outer suburban areas in the home counties. When Conservative Members mention that new hospitals are being built in the home counties, nobody wishes to detract from that, because we are all glad if health services are improving in those areas. But they should consider what is happening to an area such as mine which will suffer a 15 per cent. cut in real terms over the next decade in Health Service expenditure. Every few years another hospital is up for closure, and we are now going through the process of closure of the acute wards of the Royal Northern hospital after the Minister's predecessor assured us that the hospital's acute services would be preserved, despite the closure of the accident and emergency department.

We see a continual erosion of health care in the area and that, compounded with the closure of the Friern Barnet psychiatric hospital outside my constituency, means there is greater and greater pressure on the centralised Whittington hospital, which in the long run will have fewer beds and longer waiting lists for local people. The pattern there is not very different from that in all the other inner London health areas. If the Minister examines the length of the waiting lists and the long-term provision of acute and geriatric and psycho-geriatric beds in those areas, he will have to concede that the major point I am making is absolutely true. We are seeing a long-term decline in Health Service prospects in those areas.

I should like briefly to mention the nurses' pay award and the pay awards of all Health Service workers. I am a former organiser for the National Union of Public Employees in the Health Service and a former member of an area health authority. I know therefore that when health workers are accused by the Government of being greedy, grasping people trying to take as much money as they can out of the Health Service, when they are already among the lowest paid public sector workers anywhere in the country, they find it offensive in the extreme. They also resent the way that Health Service budgets are so made up that the wage claims of health workers are falsely set against the service that may or may not be provided to patients.

[Mr. Jeremy Corbyn]

The Government are attacking the lowest paid people in the Health Service instead of looking at the overall levels of expenditure or, indeed, the profits that are made out of the Health Service by private contractors, by drug companies or by others. Recently I received a letter from a constituent who wrote:

"I am fortunate in that as a Senior Clinical Nurse I am not one of the lowest paid members of the nursing staff. I do, however, continue to work weekends and Bank Holidays, having total responsibility for all medically ill and elderly patients at all times and spend the majority of my working day as the sole nurse responsible for care throughout the hospital. After 12 years' experience I consider that my take-home pay of little more than £100 per week as totally inadequate."

He is doing a major and very responsible job for that kind of money and that is typical of how nurses are now being treated. NUPE, my union, told the pay review board meeting:

"The Government defrauded nurses to the tune of £109 million. The PRB's recommendations were costed at £283 million but the Government's insistence on staging means the award is now worth £173 million.

The Government has compounded this deceit by its dishonest claims that the award amounts to an increase of 9%. With nurses held to a 5% rise for ten months, and the balance of the full rates applying for just two months, the real increase over the year will be on average 5·6%."

Nurses are being very badly treated and undervalued, as are other health workers.

Because of the merit awards system for consultants announced in the last couple of months the NHS is about to spend £42 million on such awards to a very small number of Health Service consultants. I question a sense of priorities which gives that amount of money to consultants but which treats nurses and ancillary workers so badly.

My union recently surveyed the way in which contract cleaning has been introduced into hospitals. It also looked at the terms and conditions of the workers. It concluded:

"Widespread use of part timers below the 16-hour threshold for national insurance contributions and benefits was found. One cleaning contractor—Reckitts Cleaning Services—lists all its 9,500 part time staff as working below this level. This represents a saving of employers' National Insurance Contributions as well as taking away from employees their employment protection rights. Virtually none of the contractors offered any improvement on the statutory provision for maternity leave, pensions and sick pay."

It goes on to list a category of disasters, bad employment practices and the abuse of low-paid cleaning workers in the NHS. The Government are handing a large part of the NHS over to the lowest form of profit motive in private cleaning and catering companies. The motive of profit making by contractors within the NHS cannot be reconciled with the basic motive of the NHS, which is to provide the best standards of health care for all people irrespective of their wealth or ability to pay. I want to see a return to the basic principles of the NHS, not its continuing destruction in which this Government are taking part.

6.41 pm

Mr. Frank Dobson (Holborn and St. Pancras): Anyone who listened to the Minister will have concluded that we were living in some sort of medical demi-paradise. Whatever the Minister may say, or whatever the odd friendly news editor may say on his behalf, people around the country know from what is happening in their localities that what the Minister is saying is not true.

It is not just people in the Labour party who are saying that. The right hon. and learned Gentleman must remember that the British Medical Association, most of the royal colleges, all the trade unions involved, the Royal College of Nursing and the community health councils throughout the country are all saying that the Government are cutting and damaging services that are vital to local people.

Ministers claim that they are putting more money into the NHS. In fact, they are not keeping up with the combined effects of inflation, the extra costs of medical technology and the increased health needs of the growing number of older people, the unemployed and the impoverished. That is obvious to people living in practically every part of the country.

In an inner-city area such as my own the Government's response to a hospital waiting list of no less than 12,697 is to call for the closure of 150 acute beds. In a rural area such as Powys, the health authority is meeting on the day of the Brecon and Radnor by-election to consider cuts of more than £1 million to help pay for the nurses' pay award. In Birmingham, where the Minister lives, and part of which is represented by the Secretary of State, 23,662 people are awaiting operations, and the figure is increasing.

In Hereford, which provides a district hospital service for people from Brecon and Radnor, the waiting list totals nearly 3,000, yet the Hereford district is proposing to pay for part of the nurses' wage increase by postponing the opening of a unit that has cost £2·5 million to build.

In Milton Keynes, the new district hospital had not been open for a year before beds were closed because there were not enough nurses to staff them, and patients, including injured children, were diverted to hospitals elsewhere.

The story is the same around the country. There are cuts for patients and demoralisation for staff. To save money, health authorities are rejigging work rosters to cut money that they pay to the better trained and more senior staff. The result is that at nights and weekends more and more of the burden of work and responsibility is being borne by the most junior staff. The recent *Nursing Mirror* survey showed that 92 per cent. of learner nurses had been left in charge of a ward with no qualified staff present. Most instances related to late shifts, nights or weekends. A total of 70 per cent. of nurses said that they were tearful because of the stress to which these new regimes subject them. To hear Ministers, including the Prime Minister, crowing about the output of these overworked, underpaid, overstressed, tearful but still dedicated nurses, is sickening in the extreme.

The position is no better for senior nurses. They feel responsibility for what is happening to their staff, but they do not have the power to do anything about it. What influence they had in the past is being eroded by Griffiths' general managers who are downgrading nursing. Unlike Ministers, nurses are not fooled by grandiose management titles such as "director of patient relations and quality assurance", which is a title used in Wirral. They would be happier just to be called "chief nurse" if they were assured that proper weight would be given to their professional advice and that they would have the resources to do the job. The same applies to many other dedicated people who have devoted their lives to the NHS. They are being downgraded and degraded by the Government's priorities.

When the Oxford regional health authority issues a document that lists "front line functions" as

"strategic planning, personnel management, finance, information and estate management",

the people who work in the Health Service do not think that it was the one they joined. They wonder what happened to the Government's earlier motto, "Patients First".

They see the ill effects of privatisation at first hand. At Addenbrookes hospital in Cambridge, they know that a contractor's employee recently had to be sacked for selling booze to patients suffering from alcohol-related diseases. They also know that, according to the health authority, cleaning standards in acute surgical wards and operating theatres at that hospital sank to 63 per cent. of the required level in June this year. They are also aware that post-operative infection cases have increased nationally by 14 per cent. under this Government.

They wonder at the priority of Ministers. Who can blame them when they know that some 50 DHSS staff are involved in promoting privatisation? They also know that, when the Bromley health authority terminated a contract with the Care Services Group because of repeated poor performance, representations from Richard Clements, a former DHSS employee, and the hon. Member for Shipley (Mr. Fox) were so effective that within 24 hours every district health authority was telephoned and told not to terminate such contracts without first consulting the DHSS. They contrast that with the five days that elapsed before the DHSS sent letters to remind health authorities about measures to guard against legionnaire's disease after the Department was told of the suspect water system at Stafford hospital.

It goes wider than that. The Government's general policies are making our people sick. That is why the numbers of people visiting their doctor or being treated in hospital are at record levels, without any substantial reduction in waiting lists. We all know that people's health will suffer if they are impoverished, under-nourished, badly clothed, badly housed and unemployed. Previous Governments recognised that and improved the nation's health by better living standards, better housing, better food and less unemployment.

Under this Government, all that progress has not just been halted, but reversed. Record levels of homelessness have been matched by record levels of failure to build new houses. The school meals service, described by *The Lancet* as the sheet anchor of child nutrition, used to provide a meal for two thirds of our children. It now provides a meal for only half of them. If the Secretary of State has his way, free school meals will be available only to the children of parents who are on supplementary benefit. When the Secretary of State talks of targeting, can he think of any more accurate or effective way of filling the belly of a hungry child than by giving that child a meal, because I cannot?

For a long time the Government denied that unemployment leads to ill health. They cannot deny it any longer. Reputable surveys show that general practitioners face higher demands for primary health care from people who are out of work, that school leavers are more likely to suffer psychological strain if they are on the dole, that death rates among unemployed men can be over 20 per cent., that para-suicide is nine times more likely among the unemployed and that unemployment affects their families, too. Above all, it undermines the health of their children. They are underfed, badly housed, ill-clothed, provided with no new toys and have no holidays. All this affects children whose parents feel humiliated and whose love for one another and their children is soured by the feeling that they have failed. That characterises the life of the child who lives in a home where unemployment reigns.

But it is not the parents who have failed. It is the rich, the greedy and the powerful who have failed. It is this Government of the rich and the greedy who have failed. Because they are powerful, they visit the consequences of their failure upon others, but they will not get away with it. Those who create a hungry generation will find that it treads them down. The Government believe that they can succeed for ever in their appeal to greed and selfishness. They are wrong. Given the chance, the vast majority of the British people will work together to help to sustain one another in sickness, adversity and old age.

The British people believe that the best kind of health service should be made available to everybody and that all of us have a responsibility to bring that about. The Labour party founded the National Health Service and treasures it. It believes in a National Health Service and a society which will make people healthier.

6.51 pm

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. John Patten): When the hon. Member for Oldham, West (Mr. Meacher) got up to start his speech, the Leader of the Opposition left his place. There were six hon. Members sitting behind the hon. Gentleman—some improvement on the three hon. Members who were behind him last week when he began his speech on child benefit.

The speech last week on child benefit of the hon. Member for Oldham, West was characterised by contradiction after contradiction. First, tax relief on mortgages was going to taken away; then it was not. Secondly, child benefit was going to be taxed; then it was not. At one moment we were told that it was official Labour party policy; then we were told that it was only a Labour party Green Paper. At one moment we were told that it had been accepted by the Shadow Cabinet; then we were told that it had been rejected. There have been exactly the same contradictions in the hon. Gentleman's speech this afternoon.

First, the hon. Gentleman admitted that there had been a small increase in expenditure under this Government. He said later that there had been cuts. What does he mean? Has there been an increase in expenditure, or have there been cuts in expenditure? At one stage he said that the Labour party would increase expenditure. A sum of £3 billion was whistled out of the air and then rapidly put back into the locker. He produced no costed plans of future expenditure. My hon. Friend the Member for Birmingham, Edgbaston (Dame J. Knight) does not often indulge in wishful thinking, but when she said that she hoped that the hon. Member for Oldham, West would for ever lead for the Labour party on social services, I am afraid that she was indulging in wishful thinking. In the first world war there was a song:

"We don't want to lose you,
But we think you ought to go."

Amidst all the rumours about reshuffles in the Labour party, the hon. Gentleman's monument when he leaves his position, as surely he will this autumn, will be that he made his predecessor as spokeswoman on social services,

[Mr. John Patten]

the hon. Member for Crewe and Nantwich (Mrs. Dunwoody), seem by comparison to be an intellectual giant and prodigy.

At least the hon. Member for Holborn and St. Pancras (Mr. Dobson) who wound up for the Opposition has the merit of consistency. He is utterly consistent in his total and blanket condemnation of everything that this Government have done about the National Health Service. During the two years that I have sat opposite him, I have never heard the hon. Gentleman admit that there has been any improvement whatsoever in any part of the NHS. His attitude contrasts very much with that of the hon. Member for Ross, Cromarty and Skye (Mr. Kennedy), who takes a much more balanced view. I hope that the Social Democratic party and the Liberal party will not go into the Lobby tonight to support this absurd motion.

The hon. Member for Oldham, West is absolutely consistent in his condemnation of the ways in which this Government are setting about trying to improve patient care and getting waiting lists down and better value for money. We are saving a substantial sum of money—about £13 million a year—on competitive tendering. That money can be spent upon patient care. What is the hon. Gentleman's policy? Will he go to a hospital like the St. Helier hospital, which is under the Merton and Sutton regional health authority, and say, "I understand that you have saved £800,000 through improved cleaning services carried out by a private company. If we came to power we should ask you to take that money away from patient care and spend it again upon inefficient and over-expensive cleaning services." Is that Labour party policy? Is that what ought to happen in the drive towards greater efficiency? That seems to be the Labour party's way of attempting to improve patient care.

Mr. Corbyn *rose*——

Mr. Patten: I should very much like to give way to the hon. Gentleman but I have very little time in which to reply to the debate.

I very much welcome the contribution of my valiant hon. Friend the Member for Newbury (Mr. McNair-Wilson). He made a constructive speech about competitive tendering. It was based upon his personal experience of co-operation with the private sector. I welcome the speech of the hon. Member for Ross, Cromarty and Skye. He supported our resource allocation working party proposals. I hope that his compliment to the Government will keep him out of the Labour party Lobby.

I welcome also what my hon. Friend the Member for Edgbaston said about the need to experiment with computerised forms of care so that patients can go from one part of the country to another for the operations they need. After some local opposition—even, surprisingly, from the West Midlands regional health authority, to which the Government had given money—a bed bank experiment is taking place. It is examining exactly this problem.

We hear a great deal about waiting lists. My right hon. Friend the Secretary of State for Social Services and my right hon. and learned Friend the Minister for Health receive many letters from the hon. Member for Oldham, West. His last letter dealt with waiting lists. First, he asked us to validate the waiting lists, which we are doing. Secondly, he asked us once every six months to publish the results of waiting lists and to set out what patients are being treated, and where. We are doing that.

The hon. Gentleman then asked us to set maximum levels for waiting lists. The maximum waiting lists in this country were to be found in March 1979, when 752,000 people were waiting for operations. Waiting lists went up by 250,000 under the last Labour Government. If waiting lists had continued to increase at the rate at which the last Labour Government—of which the hon. Member for Oldham, West was a member—left them, they would now stand at more than 1·5 million. In the event, waiting lists are going down and waiting times are going down. That is one measure of the success of the National Health Service under this Government.

At a time of great medical advances and an increasingly elderly population the NHS is dealing triumphantly with the care of the British people. The quality and the style of medical care has greatly increased. My right hon. and learned Friend the Minister for Health referred to this. We are improving the quality of life for the elderly and the way in which they are looked after. To do so when medical costs are increasing and the number of people being treated is increasing is a major achievement. This Government's achievements since 1979 have wiped out the dereliction in the National Health Service with which the Labour party left us.

The Government's record on the NHS stands on its own feet. We have nothing to say about the Labour party's record except that it failed, as was shown by the way it left the NHS in 1979. I invite my right hon. and hon. Friends to vote firmly against the motion.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 135, Noes 235.

Division No. 254] **[7.00 pm**

AYES

Abse, Leo
Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashdown, Paddy
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barnett, Guy
Beckett, Mrs Margaret
Beggs, Roy
Bell, Stuart
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bidwell, Sydney
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Hugh D. *(Provan)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Campbell, Ian
Campbell-Savours, Dale
Canavan, Dennis
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Conlan, Bernard
Cook, Frank *(Stockton North)*
Corbyn, Jeremy
Cowans, Harry
Craigen, J. M.
Crowther, Stan
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Flannery, Martin
Forrester, John
Foster, Derek
Freeson, Rt Hon Reginald
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gourlay, Harry
Hamilton, W. W. *(Central Fife)*
Harrison, Rt Hon Walter
Healey, Rt Hon Denis
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hume, John
Janner, Hon Greville

Jenkins, Rt Hon Roy *(Hillh'd)*
John, Brynmor
Johnston, Sir Russell
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilroy-Silk, Robert
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lambie, David
Lamond, James
Leighton, Ronald
Lewis, Ron *(Carlisle)*
McCartney, Hugh
McDonald, Dr Oonagh
McKelvey, William
MacKenzie, Rt Hon Gregor
Maclennan, Robert
McNamara, Kevin
McTaggart, Robert
Madden, Max
Marek, Dr John
Martin, Michael
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Michie, William
Mikardo, Ian
Mitchell, Austin *(G't Grimsby)*
Molyneaux, Rt Hon James
Morris, Rt Hon A. *(W'shawe)*
Nellist, David
Nicholson, J.
Orme, Rt Hon Stanley
Park, George
Patchett, Terry
Pavitt, Laurie
Powell, Rt Hon J. E. *(S Down)*
Prescott, John
Randall, Stuart
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Ross, Stephen *(Isle of Wight)*
Ross, Wm. *(Londonderry)*
Short, Mrs R.*(W'hampt'n NE)*
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Smith, Cyril *(Rochdale)*
Smith, Rt Hon J. *(M'kl'ds E)*
Soley, Clive
Spearing, Nigel
Stott, Roger
Strang, Gavin
Taylor, Rt Hon John David
Thomas, Dr R. *(Carmarthen)*
Thompson, J. *(Wansbeck)*
Tinn, James
Wainwright, R.
Walker, Cecil *(Belfast N)*
Wallace, James
White, James
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon

Tellers for the Ayes:
Mr. James Hamilton and
Mr. Ray Powell.

NOES

Adley, Robert
Amery, Rt Hon Julian
Ancram, Michael
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Baker, Nicholas *(N Dorset)*
Banks, Robert *(Harrogate)*
Beaumont-Dark, Anthony
Best, Keith
Biggs-Davison, Sir John
Body, Richard
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brittan, Rt Hon Leon
Bruinvels, Peter
Buchanan-Smith, Rt Hon A.
Budgen, Nick
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Cash, William
Chapman, Sydney
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Colvin, Michael
Coombs, Simon
Cope, John
Couchman, James
Crouch, David
Currie, Mrs Edwina
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Durant, Tony
Dykes, Hugh
Emery, Sir Peter
Farr, Sir John
Fletcher, Alexander
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Gorst, John
Gow, Ian
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Ground, Patrick
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hannam, John
Harris, David
Harvey, Robert
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hayes, J.
Hayhoe, Rt Hon Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Hicks, Robert
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irving, Charles
Jessel, Toby
Jones, Robert *(W Herts)*
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Norman
Latham, Michael
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lord, Michael
Lyell, Nicholas
McCurley, Mrs Anna
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
Maclean, David John
McNair-Wilson, M. *(N'bury)*
McNair-Wilson, P. *(New F'st)*
McQuarrie, Albert
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marlow, Antony
Mates, Michael
Maude, Hon Francis
Mawhinney, Dr Brian
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Meyer, Sir Anthony
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Mitchell, David *(NW Hants)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moore, John
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Normanton, Tom
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Osborn, Sir John
Ottaway, Richard
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Patten, J. *(Oxf W & Abdgn)*
Pawsey, James
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Price, Sir David
Proctor, K. Harvey
Rathbone, Tim
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridsdale, Sir Julian
Rippon, Rt Hon Geoffrey
Roberts, Wyn *(Conwy)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spencer, Derek
Spicer, Jim *(W Dorset)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Trippier, David
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Waddington, David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side N)*
Waller, Gary
Walters, Dennis
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Wolfson, Mark
Wood, Timothy
Yeo, Tim

Tellers for the Noes:
Mr. Ian Lang
Mr. Peter Lloyd

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith pursuant to Standing Order No. 33 (Questions on amendments), and agreed to.*

Mr. Speaker *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

'That this House applauds the improved levels of service to patients achieved by the National Health Service and its staff under this Government; congratulates the Government on making this possible through its record of increasing expenditure on the Service; welcomes the fact that improved levels of service have been achieved while the pay of nurses has been raised by 23 per cent. in real terms; and supports the Government's determination to ensure, through improved management and greater efficiency, that maximum benefit is derived for patients from the resources available to the Service.'.

British Steel Corporation (Borrowing Powers)

7.12 pm

The Minister of State, Department of Trade and Industry (Mr. Norman Lamont): I beg to move,

That the draft British Steel Corporation (Borrowing Powers) Order 1985, which was laid before this House on 20th June, be approved.

The subject of the draft order is the British Steel Corporation's statutory borrowing limit. All the corporation's borrowing, whether from the Government or from other sources, together with payments of public dividend capital from the Government, count towards the limit. The Iron and Steel Act 1982, the principal statute governing the BSC, provides that the limit shall be within the range £2,500 million to £4,500 million and provides that the limit may be varied by order, subject to an affirmative resolution of the House. The limit presently stands at £3,500 million, having been set at that level in July last year by the British Steel Corporation (Borrowing Powers) Order 1984.

The draft order proposes that the present limit be raised by £700 million to £4,200 million. It is important to emphasise that, as with all such orders, it is permissive only. It does not, of course, commit the Government to providing that sum to the corporation, and the future funding of the corporation will be subject, as always, to external financing limits and to the procedures of the House.

In the debate on the previous order in 1984, I said that as a result of the dispute in the coal industry there was a possibility that a further order might be necessary earlier than the two-year period normally elapsing between orders. That in this case has proved to be true. The direct financing impact of the miners' strike upon the BSC was about £180 million. This enormous unnecessary additional cost, together with the BSC's final external financing limit of £343 million, more than absorbed the £500 million increase in the corporation's borrowing limit approved by the House last July. The EFL for the present financial year of £360 million will push the BSC through its current borrowing ceiling.

At the end of March, the BSC's actual and potential borrowings stood at £3,390 million against the present limit of £3,500 million. Now that the strike is behind it, the BSC's cash needs so far in 1985-86 have been relatively modest, but an increase in the borrowings limit will certainly become necessary some time after the end of July. The BSC's forward cash needs are at present subject to uncertainty for a number of reasons. However, it is clear that, whatever decisions are taken, the BSC will continue to need outside funding for a few more years.

With the miners' strike behind it, the BSC is now trading profitably. To cater for these needs, we have set an EFL of £360 million for 1985-86, which is well below the £523 million of external finance provided for last year. The best estimate that we can make at present for external funding in the period after 1985-86 is that it will continue to diminish from year to year, but that slightly more than a further £300 million will be needed over the following two years taken together, and public expenditure projections are currently on that basis. The figure of £700 million should, therefore, be able to cover the requirements for up to three years and to give us a degree

of flexibility to deal with current uncertainties. But it remains our firm policy to end the BSC's dependence on the taxpayer as quickly as possible, and decisions over the period covered by the order will be taken very much with a view to reducing the BSC's external funding needs as quickly as possible.

I should like to comment briefly upon the corporation's performance during the last financial year, and then to consider the future. The year 1984-85 was, of course, very much dominated by the miners' strike. The BSC was set a demanding target of breaking even before interest. It must therefore have been particularly galling for the management and the work force to see the attainment of that target frustrated by the employees of an industry which was the second largest customer of the BSC. Opposition Members, many of whom represent steel constituencies, might reflect upon the much stronger position in which the BSC would find itself today but for that disruption.

I pay the warmest tribute to the management of the BSC for its ingenuity in keeping plants operating and, of course, to the workers for their courage and common sense in perceiving their long-term interest and that it could in no way be served by adding to the disruption.

The BSC's annual accounts are expected to show that, but for the intervention of the miners' strike, the corporation would have made a small profit after interest. This represents the best operating result for 10 years, and exceeded the Government's target for the year of break-even before interest.

The corporation has entered the current year at a trading profit and, if expectations are borne out, this year will see the first accounting profit since 1974-75. This very encouraging performance, which is masked by the cost of the strike, has been achieved in conditions of intense competition in Europe and elsewhere. It is a measure of the great improvements in productivity and quality which BSC has made in recent years. I should perhaps underline to the House that in the past five years the BSC's selling prices have risen by half the rate of its input costs. Against this background, I think that the improvement in its operating results is all the more remarkable.

During the past year the BSC has continued to pursue another target set by the Government, that of privatising those areas which overlap with the private sector and those activities which are outside the main stream of the BSC's steel business. Two major disposals took place. First, 75 per cent. of the shares of Stanton and Staveley were sold to Pont à Mousson and RGC Offshore plc was sold to the Trafalgar House Group. A number of smaller disposals also occurred, most notably Pipework Engineering to Babcock Power Ltd. and Coated Electrodes Ltd. where a management buy-out was completed.

During the year, two important joint ventures were established with the private sector. I draw the attention of the House to United Merchant Bar Ltd., which was created with Caparo Industries plc which holds a 75 per cent. interest in the new company which was formed to roll flats and light sections.

Mr. Don Dixon (Jarrow): The hon. Gentleman talks about small issues. Does he realise that 500 men at Jarrow and Warrington will lose their jobs? That is not a "small" issue to them.

Mr. Lamont: If the hon. Gentleman wants to make a speech about the steel industry in his constituency, I am sure that he will do so. He knows that measures and decisions about particular plants are matters for the BSC. There has been an enormous contraction in the industry's labour force.

Mr. Dixon: The Minister referred to a small issue.

Mr. Lamont: It is not a small issue. I did not say that the closure of plants or the shedding of labour were small issues. But that has happened throughout the Western world and Europe.

Mr. Michael Grylls (Surrey, North-West): I am sure that the House has followed with great interest what my hon. Friend said about disposals during the past year. What further disposals does he expect during the year ahead? How much money is that likely to bring in to the BSC to relieve the burden on the taxpayer?

Mr. Lamont: It is extremely difficult to answer those points, because we are a long way from the time when the BSC's basic steelmaking business will reach a state of enduring viability that would make it capable of being privatised. As Opposition Members who take an interest in these matters know, Phoenix 2 — the engineering steels — was an area where we very much hoped that privatisation could occur. That is one of the most important areas of overlap between the public and the private sectors. It is closely linked with a number of other decisions that must be taken within the corporation.

I wish to emphasise how much privatisation has already occurred. Since 1980, the total book value of assets disposed of has been £349 million, which is 16 per cent. of the total book value of the BSC's assets in 1980. Land and property sales have realised £78 million. Since 1980, 14,000 BSC employees have been transferred to companies that were set up or disposed of as part of privatisation policy. I hope that my hon. Friend the Member for Surrey, North-West (Mr. Grylls) agrees that much has already happened in this direction.

Mr. James Hamilton (Motherwell, North): Does the hon. Gentleman realise that there is tube manufacturing in my constituency? Many rumours have been circulating for a long time on this matter. I and my hon. Friend the Member for Motherwell, South (Dr. Bray) have met the management at the BSC's premises at the Clydesdale works. The management did not deny that, if a suitable offer were made, privatisation would occur. Do the Government intend moving in that direction?

Mr. Lamont: It is the Government's intention that as much of the corporation as possible should be privatised and that, to a large extent, it should be done through joint ventures with the private sector. That is the way that is likely to be most practicable in the areas of overlap with the private sector.

Does the right hon. and learned Member for Monklands, East (Mr. Smith) wish to intervene?

Mr. John Smith (Monklands, East): Ministers do not often invite me to intervene, but the hon. Gentleman has kindly asked me to do so. He has just said that joint ventures will be a method of privatisation. Does that mean that Phoenix 2 is not a joint venture but a method of privatising?

Mr. Lamont: Phoenix 2 is a project on which decisions have not yet been made. I must emphasise that decisions on Phoenix 2 must be related to other decisions about the

[Mr. Lamont]

corporation. Phoenix 2 would be likely to be a joint venture. In my terminology, a "joint venture" could also be called a measure of privatisation. I hope that that makes the position clear to the right hon. and learned Member for Monklands, East. I invited him to intervene because, as some of my colleagues were talking, I was not sure that I had answered the question addressed to me by the hon. Member for Motherwell, North (Mr. Hamilton).

Mr. Richard Hickmet (Glanford and Scunthorpe): I refer to transferring part of the BSC to the private sector and also to Phoenix 1 and Allied Steel and Wire. Is it not a fact that ASW is now highly competitive and highly profitable? If we are concerned about the steel industry's stability and future, should we not look at ASW which has proved that, if the steel industry operates in the private sector, it will operate more effectively and efficiently and its long-term future will be secured?

Mr. Lamont: I entirely agree with my hon. Friend. ASW has demonstrated that a privatised company can operate successfully and can offer greater job security. Above all, because it is a privatised company decisions about the steel industry are made on a commercial basis and are not wrapped up in political considerations which, despite all the current controversies, do not serve the long term interests of the industry or of those who work in it.

Another important feature of the past year was the decision taken by the BSC with its overseas partners to terminate an arrangement for the supply of iron ore which had become uneconomic. This decision resulted in the closure of the Firelake mine in Canada and the subsequent repayment of loans used to finance the mine at a total cost of £130 million. The BSC's external financing limit was increased by £70 million on this account. The remaining £60 million was provided from the BSC's own resources. This transaction will result in a saving to the BSC of £40 million each year.

It is clearly not possible to view the BSC's performance in the United Kingdom context alone. The European and world steel markets need to be taken into account. I think that every hon. Member would agree that the corporation's anti-crisis measures have continued to stabilise the steel market. This has resulted in improvements in prices in the second half of 1984 and in 1985, although in real terms steel prices are still well below 1979 levels. These anti-crisis measures are designed to support the Community market while excess capacity is removed and to pave the way for the ending of steel aids by the end of 1985. This is a policy that the United Kingdom Government have supported, and our industry has been in the forefront of those implementing it.

It must be emphasised, as the Government have emphasised before in these debates, that the restructuring of the industry was necessary irrespective of the European regime. Although we started the process earlier than some other Community countries, the current steel aids code requires other member states to play their full part in the restructuring process as well.

Mr. Alec Woodall (Hemsworth): Does the Minister have recent information about whether there will be pressure from other EC countries to keep state aid in existence beyond the present closing date? There are rumours to that effect.

Mr. Lamont: I am afraid that I cannot anticipate that. At the last Steel Council, the decision to end steel aids at the end of 1985 was accepted by all members. There will be a further meeting of the Steel Council on 26 July to consider the quota regime and what will happen after 1985. The ending of state aids does not mean that it will be impossible for Governments to make investment or loan capital available to their steel industries in certain circumstances. Further discussions will have to take place on 26 July about the whole apparatus—not just of the steel aids but of the quota regime that goes with it.

Dr. Jeremy Bray (Motherwell, South): Does the Minister intend to press on 26 July for a continuation of some aspects of the quota and price regime?

Mr. Lamont: Our view tends to be that a sudden removal of the quota regime might have extremely drastic consequences. Representations to that effect have been made to us by the BSC and the British Independent Steel Producers Association. Our final position has still to be determined. I believe that we should look at the possibility of a phased withdrawal or gradual reduction. Our position will depend a little on what other Governments do and their position on state aids.

Dr. Bray: Will the Minister consider an extension of two or three years?

Mr. Lamont: That must be considered on July 26. No decision has been reached about how long the system will remain in existence. That is a decision not simply for us to take, but for all other member states.

Mr. Hickmet *rose*——

Mr. Lamont: I do not wish to prolong this short debate, so I shall not give way again.

All member states will achieve at least the reductions in steel capacity that they have promised for the end of 1985. Between 1980 and 1985 at least 28·4 million tonnes of capacity will have been shut in the Community as a whole. The final figure could well reach 30 million tonnes. The United Kingdom's promised share is 4·5 million tonnes, but our final figure will be rather higher.

Despite the additional difficulties in cost imposed on the BSC by the coal strike, the corporation's continuing efforts to improve efficiency and reduce costs will be seen to have paid off not only in the past year but in future years. The BSC now ranks among Europe's most competitive steel suppliers. Since 1979 the United Kingdom's productivity in tonnes of steel per worker has doubled and is now on a par with the best comparable levels prevailing in Europe. The BSC started from a very much worse position and we cannot assume that its competitors will stand still, but clearly the BSC is now in a much stronger position to face the future than would have been thought possible by those who doubted the resolve of the BSC and the Government in recent years.

Mr. Clarke: Sir Robert Haslam has said that the corporate plan will be published at the end of July. Will the Minister confirm that?

Mr. Lamont: The corporate plan will be received by the Government at the end of July. We have no intention to publish that plan. It has not been published in the past.

The BSC's progress results from a determined effort by management to respond to market demands and competitive pressures and from the Government's

acceptance of the need to back the corporation's effort. It results also from the skill and determination of the work force. The world does not stand still and the Government must look to the BSC to make further progress in the future.

I acknowledge the point made by the hon. Member for Motherwell, South (Dr. Bray). The Government have accepted the EC system of quota and price controls, although it has imposed limitations on market initiatives by producers, because it is necessary to allow time to eliminate the need for subsidies. The other major European producers have recognised the need to make this régime work to bring some stability to the market. If a further extension of the quota system is proposed, our willingness to accept it will depend, as on previous occasions, on our judgment as to whether it is in the best interests of the United Kingdom steel industry. Any proposals will need to recognise the substantial improvements in our performance over the past few years both in absolute terms and relative to the rest of the industry in Europe.

Unfortunately, the improved performance in both the United Kingdom and the EC steel industries does not mean that the problem of overcapacity has been solved for all time. The Commission has recently produced a report on Community steel industry output up to 1990, which says that output in 1990 is unlikely to be significantly higher than in 1984, and may well be lower. Despite the substantial progress that has been made in removing excess capacity in the past few years, the Commission estimates that further substantial capacity closures will be needed in Europe. Only then will the industry return to levels of capacity utilisation consistent with profitability.

All member states are committed to ending state aids by the end of 1985. This was reaffirmed at the Industry Council on 26 March. The BSC will continue to need state finance, borrowings and capital after 1985, but I believe that no subsidy element will be needed after that date.

That is the background against which the BSC and the Government have to consider the corporate plan. It has proved a difficult task for the BSC to develop its view of the situation in the wake of the coal strike. The BSC chairman said in evidence to the Select Committee that a dialogue on planning matters had resumed between the BSC and the Government and that it was hoped that matters would be clear enough for a submission to be made by the end of July.

It would not be right for me to speculate on what the BSC may propose either in respect of any particular works or more generally, nor on what view the Government may take of the plan. The plan will need to show that the BSC is on the path to full commercial viability. That is necessary to show not just that further investment of capital in the BSC is an investment on commercial terms and not a state subsidy, but to satisfy the Government that the BSC's main operations will in due course be capable of being returned to the private sector.

The BSC has made progress in the privatisation of many of its activities. To make it possible to return the core activities to private ownership is a further challenge that the Government and the BSC do not underestimate. World prospects and existing levels of overcapacity suggest that it cannot be achieved overnight, but it is the Government's objective, which is fully consistent with the EC agreement to create a viable and secure steel industry.

This draft order will enable further funds to be provided to support the encouraging process of recovery of the BSC and will ultimately facilitate privatisation. I commend the order to the House.

7.35 pm

Mr. John Smith (Monkland, East): The Opposition do not oppose the order and we do not expect a Division, but it provides a timely opportunity to discuss the British steel industry and the Government's handling of their policy towards that crucial industry.

It is remarkable that the Minister of State can come to the House in the light of recent controversy over the future of the steel industry and not mention Ravenscraig or Llanwern. The Minister knows the deep concern throughout the industry about recent speculation by the chairman and chief executive of the British Steel Corporation in evidence to the Select Committee. It is not satisfactory for the Minister to say that he cannot speculate on the future of any plan within the corporation before he receives the corporate plan. We always seem to be awaiting a plan from the British Steel Corporation.

If the Minister cannot speculate on the future of Llanwern and Ravenscraig, how is it possible for the Secretary of State for Wales to speculate about Llanwern and for the Secretary of State for Scotland to speculate about Ravenscraig? In recent weeks, the Secretary of State for Wales has assured us that he will fight like hell to save Llanwern, but against whom? Is he fighting the Secretary of State for Trade and Industry or the Minister of State? Most people should fight as hard as possible against what they have in mind. I do not know what the Secretary of State for Wales has in mind, but the Secretary of State for Scotland has not been behindhand in telling us that he is committed to Ravenscraig. Indeed, he and other Conservative Members turn up at meetings in Scotland to tell us that they are solidly behind the future of Ravenscraig.

How can the Secretaries of State for Scotland and Wales tell us that everything is all right when the Minister of State says that he is unable to speculate? I believe that he is able but unwilling to speculate—I give him credit for competence. It is the duty of the Secretary of State for Trade and Industry to come to the Dispatch Box and to repeat what his colleagues have said—that the future of Llanwern and Ravenscraig is assured. Nothing less will do.

Mr. Roy Hughes (Newport, East): I am interested in my right hon. and learned Friend's remarks. Does he, like me, fail to understand how the chairman of BSC, Sir Robert Haslam, could tell the Select Committee on Trade and Industry that the BSC and the Government were actively discussing the possible closure of either Ravenscraig or Llanwern? That was widely quoted in the media.

Mr. Smith: My hon. Friend keeps a close watch on what is said about Llanwern. His deep concern is shared throughout Wales, where the matter is of great importance to a much wider community than that which he so ably and tenaciously represents. He makes the valid point that, in evidence to a Select Committee, BSC officials speculated about cutting losses, and the one extra plant. That has been a feature of the evidence given every time that the matter has come before the Select Committee. Yet, when we

[Mr. Smith]

confront the Ministers responsible, they blandly evade the matter by saying that they are not willing to speculate. As the Minister knows, there is deep anxiety in the industry and the communities that are most directly affected by the future of both Llanwern and Ravenscraig, because the chairman of BSC keeps telling them—he does not even hint—that if BSC is to meet the Government's targets, especially privatisation, both plants cannot remain open. That is not good enough.

Mr. Hickmet *rose*——

Mr. Smith: Perhaps the hon. Gentleman will give me the assurance that his Front Bench will not give, in which case I welcome his intervention.

Mr. Hickmet: I shall give the right hon. and learned Gentleman that assurance when I speak from the Dispatch Box, which I do not expect to do soon. Does he accept the Government's injunction to BSC to achieve viability, and the injunction of the European Commission to end state aid by 1985? If so, what are his comments on Llanwern and Ravenscraig?

Mr. Smith: I do not accept Government injunctions to BSC, even if I knew more clearly what they were.

Mr. Hickmet: What would the hon. and learned Gentleman's injunctions be?

Mr. Smith: I hope that the hon. Gentleman will allow me to develop my argument. He wants answers from me, although the Minister does not answer questions. The Minister certainly does not give the Opposition answers. The Opposition oppose the regime which the Government wish to put on BSC because it is based not so much on viability as on moving towards privatisation. When in an important part of his speech the Minister said that the plan must move towards full commercial viability, he meant towards a level of profitability which would ease the sale of coal, iron and steel making to the private sector. While that remains part of the Government's policy for BSC, we shall resolutely oppose it.

According to the Minister, at present BSC is trading profitably. In that case, the only reason to close either Ravenscraig or Llanwern is to assist the move towards privatisation. Therefore, the threat to those steel plants comes from one quarter alone—the Government who wish to privatise our steel industry. There is no pressure from any other quarter, and there cannot be pressure to move towards viability, if the corporation is already trading profitably, as the Minister said.

The Government talk about privatisation as if every privatisation exercise in which they indulge were intrinsically creditable. It is as if every Minister must produce a report card at the end of term to tell the Prime Minister what he has privatised. I am sure that the Minister of State will not be behindhand in saying how much he privatised last year. It is as if the Government's only purpose in their stewardship of the steel industry is to move the industry as fast as possible and on any terms into the private sector. It is not difficult to sell public assets. Indeed, it is easy to make a success of doing so, especially if they are sold below their value, as was the case with British Telecom. If assets are sold cheaply, the sale will obviously be a success.

We are fearful for the future of the steel industry, because the parts which become capable of making substantial profits will be sold, while the other parts, which are necessary for the breadth of support that we must give our manufacturing industry, and which are loss making, will be kept in the public sector. All the loss-making parts will remain in the public sector and the profit-making parts will be sold to the private sector. The Government's relentless pursuit of that policy in the steel industry and in other areas does not benefit taxpayers because they are selling the profitable element, which would benefit taxpayers, and continually saddling taxpayers with loss-making elements.

My hon. Friend the Member for Motherwell, North (Mr. Hamilton) was right to mention the anxiety of workers in areas such as the tube works at Clydesdale in his constituency, which is an extremely efficient operation. They are worried that if they co-operate in making the enterprise successful, they will assist the process of privatisation, to which they are deeply and firmly opposed, as I hope both the Government and the corporation know.

The truth is that the worrying rumours about Llanwern and Ravenscraig, which includes the Gartcosh complex, will continue. They are not healthy for the industry or the communities dependent on it, and the Government could put them to rest immediately. There is nothing to stop the Minister coming to the Dispatch Box and telling us that those two plants are secure, and that the Government do not intend to assist in any proposal from BSC to close them.

I challenge the Minister to give us a specific answer to that question before tonight's debate finishes. He did not do so in his introduction. The people of Wales and Scotland deserve a clear answer, especially as the respective territorial Secretaries of State have not been behindhand in issuing those assurances. Those assurances need to be corroborated by the Minister responsible, who is present tonight. I am happy to sit down at any stage if the Minister is willing to answer our direct and specific questions about the future of Ravenscraig and Llanwern. His failure to answer them directly is sad. I assure him that the fight to maintain those works will continue as relentlessly and effectively as it has since the threat to their future was first raised.

Mr. Norman Lamont: I should like to ask the right hon. and learned Gentleman a question. Would he make a decision about BSC, regardless of the views of its management?

Mr. Smith: I would find it awkward to avoid expressing an opinion when senior colleagues in the Government—two Cabinet Ministers—felt free and able to do so. I would believe that the Government's integrity was so much in question that, before I saw the details of the corporate plan, I would make it crystal clear that, whatever it contained, there would be no question about the closure of either plant. I am willing to say that clearly and specifically.

The Minister's desire to ask me that question shows that there is some doubt in his mind. Will he rise to his feet now and tell us whether those plants will remain open? Why cannot he do that? I am willing to give way. I have answered his question. Will he now answer mine? I answered the Minister by saying that I would anticipate the

corporate plan by giving assurances that Llanwern and Ravenscraig would not close. That is a decision for the Government, and they should make it clear that the parameters within which BSC should operate are those that keep the major steel plants open. I hope that the Government's silence, reluctance and evasion will not pass unmarked in the areas which depend on those plants.

Mr. Lamont: My question was not whether the Government would be involved in the decision, but whether the right hon. and learned Gentleman would make the decision regardless of the advice of BSC management.

Mr. Smith: The Minister must come to terms with reality. We know that the British Steel management, as the chairman has made clear, would like to close one of the plants. That is the only construction that we can put on the evidence given to the Select Committee.

It is no secret in the steel industry that there is a desire, on the part of at least some of the management, to eliminate—I use the word carefully—one of the strip mill plants. The Minister is not so naive that he does not know of the struggle that took place a while ago, which resulted in the decision that neither plant would close. He knows also that the issue has re-emerged because of evidence given to a Committee of the House by senior management of the British Steel Corporation.

The question returns, as it always must, to the lap of the Government. The Government must make up their minds whether Ravenscraig and Llanwern will remain as permanent features of the British steel scene for the foreseeable future. That assurance has been given by the Secretaries of State for Scotland and Wales. Why can the assurance not be given by the Minister of State whose direct responsibility it is? Perhaps the Minister can tell us why he cannot give the same assurance as his colleagues.

Mr. Lamont: I wish only to repeat my question. Does not the view of the BSC management count?

Mr. Smith: As the ultimate owner of the corporation, the Government should of course listen to what the management has to say. But the Minister knows perfectly well what the management said to the Select Committee. We have listened to the evidence also and we know where it leads and recognise its import. The Government must not listen to any recommendation from the management to close Ravenscraig and Llanwern. The Minister must not quibble about words. It is clear that the Government have responsibility. If the Minister will not say that Llanwern and Ravenscraig will remain open, we are entitled to cast doubt upon the integrity of the Secretaries of State for Scotland and Wales, who gave emphatic commitments which the Minister is unwilling to endorse.

Mr. Hickmet *rose*——

Mr. Smith: The Minister will have to fight his own corner without help from the hon. Gentleman. The Minister with responsibility for these matters is unwilling to agree with senior colleagues who airily gave assurances —it seems as though they were airily given—to the communities and counties which they represent that the works would remain open. My hon. Friends and I live in these areas and know what goes on in the communities. The Minister must know that some of his hon. Friends, who significantly are not here tonight, have attended conferences organised by the Scottish Trades Union Congress. We have been told that Scottish Conservative Members will fight. The hon. Member for Banff and Buchan (Mr. McQuarrie) said at a meeting on a different matter that he would fight vigorously to maintain Ravenscraig. The hon. Member for Strathkelvin and Bearsden (Mr. Hirst) told us how vigorously he would fight for the future of Ravenscraig. Where are they tonight?

Where are the Secretaries of State for Scotland and Wales? They are conveniently absent in case their remarks would be brought home to roost. We have the undignified picture of a junior Minister from the Department of Trade and Industry wriggling because he cannot answer simple questions put to him by the Opposition. He cannot confirm that the Secretaries of State for Scotland and Wales are to be believed. We shall draw our own conclusions. There is doubt, uncertainty and confusion in the areas affected by Llanwern and Ravenscraig. It is time that they were put to rest.

The Minister knows that it is not enough to say that there will not be a closure. Ravenscraig needs investment in the coke ovens if it is to be kept up to date as a first-class plant. Llanwern needs investment in concast production methods. I hope that the Minister, when he replies, will make a definite commitment instead of the evasions to which we have been subjected.

The underlying problem, which the Minister fails to recognise, that has faced the British steel industry over past years is the collapse of manufacturing industry. Because of that collapse, there has been a collapse in the demand for steel. When the Government took office, production was 20 million tonnes. Production has not exceeded 15·5 million tonnes since that time.

The reason for this drop in demand is the catastrophic decline in manufacturing industry. There are gloomy predictions about the future of the industry because of the catastrophic predictions for the future of manufacturing industry. British Steel documents show a continuing level line for manufacture and production. The corporation is contracting its capacity to meet the bottom curve of a dip in demand. If we expand our manufacturing industry—that will be the intention of the next Labour Government —we shall find ourselves, perhaps, without the steel capacity that will be necessary to provide the raw materials for manufacturing industry. The present Government will then be exposed to the serious charge of neglect. They continue to cut and they show no concern for the future of manufacturing industry.

Mr. Norman Lamont *rose*——

Mr. Smith: Yes, I shall give way to the Minister. Unlike him, I am willing to answer directly important questions about the steel industry.

Mr. Lamont: Are the comments of the right hon. and learned Gentleman about steel production borne out by the fact that, in 1984 and 1983, United Kingdom steel production was higher than in 1981 as a proportion of demand in the EEC?

Mr. Smith: I am not interested in the selective presentation of statistics. I am interested in a simple fact, which is that much less steel is produced now than in the years when the Labour Government were in office. The reason for that is the great decline in manufacturing industry since the days of the Labour Government. The Minister can wriggle this way or that but that is a fact from which he cannot escape.

Dr. Bray: The Minister of State knows perfectly well the answer to his question. In 1981, steel production in the United Kingdom was severely affected by the steel strike, from which the industry had not recovered. The Minister is an inveterate distorter of statistics.

Mr. Smith: I am grateful to my hon. Friend for setting the record straight. It might stop the Minister seeking to mislead others in future. At least, my hon. Friend's intervention should have that effect but I do not know whether it will.

Mr. James Hamilton: My right hon. and learned Friend is right in saying that there has been a serious drop in steel production, and that is the result of the Government's policies. Steel consumption industries—I worked in one before I became a Member of this place —are in a worse state than they have ever been since the 1920s. We need new bridges, schools, hospitals and other items of infrastructure, and if such projects were implemented the demand for steel would be considerably greater.

Mr. Smith: My hon. Friend advances the argument compellingly. The steel industry is dependent on manufacturing industry, and some sectors of the steel industry are especially dependent upon the construction industry. If the market is removed, which the Government have been so careless in allowing by their neglect of the manufacturing sector, it is no surprise that the steel industry finds difficulty in securing markets for its products. The best tonic that we can give the British steel industry is to revive manufacturing industry. That is at the heart of the economic policies that are advocated by the Opposition, which will be implemented by the next Labour Government.

It would be wrong not to mention Tinsley Park, another matter which the Minister failed signally to mention. He knows that the proposal to close Tinsley Park was made by the BSC. The workers have fought a vigorous campaign to seek to persuade the corporation to abandon its proposals, but it seems that they have been forced, reluctantly, to accept the closure proposals. It is sad that another important plant is to be closed.

The latest information that I have suggests that the work force is likely to accept the plant's closure. It is a sorry day when these plants go out of existence. I compliment those who have worked so hard to try to persuade the corporation to change its mind. As the Minister knows, there is a great deal of suspicion because it was elicited in December 1983 in the Select Committee on Trade and Industry that the closure of Tinsley Park was included in the Phoenix 2 proposal. That hardly squares with the constant assurances which the corporation gave that it was a self-standing decision that had nothing to do with the Phoenix 2 proposal.

When I asked the Minister whether a joint venture was the road to privatisation, he more or less admitted that it was. That was a revealing part of his speech. It appears that joint ventures are an exercise in the privatisation option. We have always suspected that. They are a particularly bad exercise of the privatisation option because they usually involve a large amount of public sector resources and capital and a small amount of private sector capital and resources, but both private and public sectors share the profits equally. Once again, there is a large contribution by the taxpayer and a disproportionate benefit going to the private sector. That is the pattern of the Government's approach to the British steel industry.

I am sorry to say at this stage in the debate that, without the assurances that we have sought from the Minister, we must remain deeply dissatisfied about the Government's conduct and their policy towards this crucial and important industry. That is, first, because our manufacturing industry continues to languish, and, secondly, because important plants are left in the doubt, uncertainty and confusion that it would be easy for the Government to resolve but which, for their own reasons, they curiously refuse to do.

8 pm

Sir John Osborn (Sheffield, Hallam): I listened to the speeches of my hon. Friend the Minister and of the right hon. and learned Member for Monkslands, East (Mr. Smith) with interest. The debate gives hon. Members a chance to obtain the Government's view on what is happening in the steel industry. I shall make a few observations about steel in general, a few more about special steels and engineering steels in particular and specifically I shall touch on the scene in Sheffield, involving Sheffield Forgemasters and Phoenix 1 and 2, and including Aldwarke and Stocksbridge, as well as the Tinsley works.

As hon. Members will know, I have been involved in the steel industry all my life. There is no need for me to declare an interest now other than that of my constituents. I welcome the observations made by my hon. Friend about hiving off, and the growth of the private sector. Those in the private sector of the steel industry who have survived in Sheffield are looking forward to the future in the private sector with optimism. It is a pleasure to see the vigour coming back to the few who have survived.

I read with mixed feelings that the order extends the borrowing powers to £4·2 billion. After this debate, I shall have even more mixed feelings because the nation is faced with a £700 million increase in the extent to which taxpayers must divert their funds from other priorities to sustain disastrous decisions taken 18 to 20 years ago.

Earlier today, my right hon. and learned Friend the Minister for Health had to defend the Government's decision to expand the Health Service but not to provide as much taxpayers' funds as they would wish. If there is a need to provide taxpayers' funds for the steel industry, as has been done consistently for 20 years, that must mean that other priorities have to fit in with the priority of sustaining an industry that has made a series of disastrous decisions which have been mainly under Government pressure and from which it is now pulling out. I thank my hon. Friend the Minister for his optimistic forecast for the steel industry.

It had been my intention to use the annual accounts of the British steel industry for the current year. However, I have only the accounts for the last year. Therefore, I will have to deduce how well the steel industry is doing. I have attended the Select Committee that heard from Sir Robert Haslam, Mr. Scholey, Mr. Stambrook, Mr. Evans and others. They say clearly that, but for the coal strike, the BSC had hoped to break even this year. I welcome the fact that it is running profitably now and I welcome the optimistic forecast of requiring less and less money, as put forward my hon. Friend the Minister.

The BSC's leaders speak to all-party committees as well as to the Select Committee. Last year's accounts show that the BSC has written down a huge amount of taxpayers' money in the past 20 years. Assets of £2·6 billion in the steel corporation are thin compared to the required borrowing power of £4·2 billion. I welcome the sales to the private sector that my hon. Friend the Minister has been able to suggest, and the fact that they are worth about £349 million. I welcome the joint ventures. I shall not say too much about Sheffield Forgemasters but, as the Conservative Member in Sheffield, I wish that project well. Sheffield Forgemasters has grown in spite of trade union opposition and opposition from the city council, and therefore the task of the management has been that much more difficult.

I hope that Phoenix 2 will materialise. I understand that it could involve Brymbo, Aldwarke and Stocksbridge. From what I heard in the evidence given to the Select Committee, the closure of Tinsley Park could be part of the package that will go with Phoenix 2. I hope that when the project is launched, it will be adequately funded. The coal strike has been a great tragedy. It has cost the British steel industry £180 million.

The science and technology committee of the Council of Europe inspired the sixth scientific and parliamentary conference in Tokyo early in June. Scientists and politicians from all over the world, particularly from the OECD countries, were there. Because of my interest in new technology, the Japanese car and steel industries and robotics, we went to the Nippon Ohgishima steelworks, or the Keihin works. That factory is on an artificial island 5 by 3 kilometres, which has been built and decided upon in the past 10 years. Ships can bring in iron ore at one dock on the island and coal at another. The capacity of 6 million tonnes a year, with bar, plate and strip, includes a pipe-making plant. I sensed an optimism at this new site that I wish I could sense in Britain and many sites elsewhere in Europe. It has been possible in other parts of the world to construct something which gives courage.

The Sheffield steel industry grew up on the fact that 30 or 40 years ago it could rely on electricity from coal-fired power stations at highly competitive prices. Now, that electricity is far too costly compared to the prices charged for electricity to Sheffield's competitors throughout the world. Those with a nuclear or hydroelectric capacity are able to provide electricity more cheaply to these vital works. Therefore, I shall be pressing my hon. Friend the Minister in due course for an examination of the electricity costs in Sheffield.

Turning to the Tinsley Park works, I am reported in a Conservative newsletter, with a history of involvement in the steel industry behind me, as pledged "to oppose closure". That is not accurate. I deplore the fact that so much has happened but I am asking why it is necessary, and so is the Select Committee. I note that the Iron and Steel Trades Confederation has threatened to take court action and that it has been looking at a blueprint for a four-day week in Sheffield. I cannot ask my hon. Friend the Minister to answer all these questions now, but I am having meetings, as far as the BSC management will allow me, as a Back-Bench Member of Parliament, to have them, to find out the options, and the reasons for any decision.

A Member of Parliament cannot run a private sector steelworks or claim to have inside knowledge of that or a public sector works. Management must have authority to manage but, as consultation is announced in the case of what is happening at Tinsley, Stocksbridge and Aldwarke, I very much hope that it will be extended to Conservative Members of Parliament. As I understand that my hon. Friend the Minister will be making an announcement to the Select Committee on Tinsley this week, I will not pursue the matter further.

I can only conclude, after listening to this debate, that, if Opposition Members had their way, they would keep uneconomic steelworks in operation, taxpayers would have to dig even deeper in their pockets and other priorities —the Health Service and education—would suffer. The figure which the Minister has gauged is about right.

I listened from these Benches to the decision to set up Llanwern and Ravenscraig. It is tragic that they are loss makers. In view of the current market for home and overseas contracts, it is hopeless to run a plant on too few shifts. It is much better to have fewer plants running full shifts so that costs can come down and steel can be competitive. Surely it is up to the BSC to decide to do that. If my hon. Friend the Minister is drawn into making a decision, I would suggest that he does not have the information at his fingertips to take the right decision. I hope that he will not be tempted by the right hon. and learned Member for Monklands, East (Mr. Smith).

8.12 pm

Mr. Stan Crowther (Rotherham): No doubt the hon. Member for Sheffield, Hallam (Sir J. Osborn) will forgive me if I do not comment directly on his speech but, in truth, I do not think there was much meat in his speech.

I am pleased to hear the Minister refer to the fact that the productivity of the British Steel Corporation is now comparable to the best prevailing in Europe. That is not the average but the best. It is against that background that I want to urge certain courses of action upon him. I wish to make a brief reference, as my right hon. and learned Friend the Member for Monklands, East (Mr. Smith) did at greater length, to the wide strip mills. I appreciate that my hon. Friend the Member for Motherwell, South (Dr. Bray) will no doubt have a lot more to say on the question of Ravenscraig, should he catch your eye, Mr. Deputy Speaker. The British Steel Corporation still wishes to close one of the three and I do not think there is any doubt that Ravenscraig is its favourite candidate for closure. The Minister was repeatedly putting to my right hon. Friend a hypothetical question because he asked whether my right hon. and learned Friend would make a decision regardless of the views of the BSC. I think I can help him on this matter, because a former Secretary of State, the right hon. Member for Wanstead and Woodford (Mr. Jenkin), did precisely that.

In 1982 the right hon. Gentleman did not wait for the corporate plan to come into his office. He merely told BSC, in advance, that he would not accept a corporate plan which did not keep open all the five integrated plants which, of course, includes the three wide strip mills. Therefore, if the Minister is looking for a precedent he has got one. The Minister has told us that he cannot speculate or comment until he has seen the corporate plan. Yet there was a Secretary of State who made a sound political decision, understanding the social consequences of closure and he told BSC what it had to do. He showed who was the boss.

My first appeal tonight is that the present Secretary of State will show the same courage. After all, the

[Mr. Stan Crowther]

Government, as representatives of the taxpayer, are the owners of BSC. It does not belong to Sir Robert Haslam and Mr. Bob Scholey. It belongs to the public, and the Government, as representatives of the public, must take into account the public interest. The previous Secretary of State's decision has been amply justified by events. He told the House that he had instructed BSC in that way because:

"it would be wrong to take a decision to close one of the plants on the basis of forecasts made in the trough of a recession and before the European Communities state aids regime had had a chance to have a significant impact on excess capacity elsewhere in Europe".

In our recommendations to the Government, the Select Committee on Trade and Industry said in March 1984:

"now is not the time to close a strip mill. We also recommend that BSC should retain as many options as possible in its approach to the freer market of 1986."

I cannot anticipate what will be in our report which comes out later this week, but that was our view then and nobody can argue that, in the middle of 1985, things have changed so much that we ought now to start closing options before 1986. I thought that I would remind the Minister of those points in case he is looking for an element of consistency in Government policy. I do not know whether he is, but it is sometimes helpful.

Mr. Scholey told the Select Committee that he would rather have two wide strip mills operating at full capacity than three operating at two thirds capacity. It does not take a mathematical genius to calculate that a plant operating at full capacity is incapable of taking any more orders. He wants to close capacity to the point at which any significant increase in demand cannot be met in the United Kingdom. That would necessarily increase imports.

Mr. Hickmet: I do not wish to comment on Ravenscraig, but does the hon. Gentleman believe that capacity at the two strip mills that would remain if Ravenscraig were to close would not be sufficient to absorb present demand or any reasonable anticipated increase in demand? Is not the problem the fact that there is massive overcapacity in the home market?

Mr. Crowther: I have quoted what Mr. Bob Scholey told the Select Committee. It is a mathematical fact, is it not, that two plants operating at full capacity are equivalent to three operating at two thirds capacity? He said that he would prefer to have two operating fully. That must mean that they could not take a substantial increase in demand. I cannot quite see the hon. Gentleman's point.

Mr. Hickmet *rose——*

Mr. Crowther: The hon. Gentleman might have a chance to make his own speech.

The case that was previously accepted in regard to wide strip mills should be accepted now in that sector of the industry and also apply to the engineering steels sector. In that sector, British Steel's special steels group represents 82 per cent. of present capacity—the rest is represented by the only remaining private sector company, GKN Brymbo. BSC has announced that it wants to close the Tinsley Park works, which is in the constituency of my hon. Friend the Member for Sheffield, Attercliffe (Mr. Duffy), although I understand that at least half of the work force are my constituents.

BSC has described that plant as Europe's premier producer of quality special steels, and yet it wants to close it. There seems a certain illogicality in that, to say the least. As with the strip mills, now is not the time to close a special steels plant. We are told that there is still excess capacity in the special steel sector. Looking at existing demand, I do not doubt that that is true, but will the present low level of demand exist for ever? Are we to accept the notion that British manufacturing will for ever be in the doldrums and that we shall never have a revival of manufacturing? Are we to accept that we shall never again produce enough wealth to maintain a reasonable standard of living for all of our people? That is what the Minister would be saying if he accepted BSC's view. Of course, he has carefully avoided telling us whether he accepts that view. That would be a doctrine of despair. If it is true —and I hope that it is not—this country will never again be able to produce wealth at the level we need to pay for the services that should be provided for the sick, the elderly and the handicapped, to provide better education, to house the homeless and to provide money for the arts and so on—all the things that a country needs to do if it is to be called civilised, but which we cannot do if we are for ever committed to the present low level of manufacturing output. That is something that I cannot accept. If there is to be an improvement—and as my right hon. and learned Friend said, the next Labour Government will ensure that there is—we are now in serious danger of reducing steelmaking capacity to the point where it cannot accept any substantial increase in orders.

Some hon. Members are aware that I am a student and, indeed, from time to time a performer of folk songs and similar works. The tragedy of Tinsley Park irresistibly reminds me of a song that I have known for many years about a nice young man called William Brown:

"Who worked for a wage in a northern town.
He worked from six till eight at night,
Turning a wheel from the left to the right."

I appreciate that it would be out of order for me to sing that song, but it may be appropriate to remind the House of the gist of it. The song tells us:

"One day the boss to William came,
He said, 'Look here, young whatsyername,
We are not content with what you do,
So work a little harder or out you go.'
So William turned and he made her run
Three times round in the place of one.
He turned so hard that he soon was made
Lord high turner of the trade.
The nation heard the wondrous tale,
The news appeared in the *Sketch* and the *Mail*.
The railways ran excursions down
and all to see young William Brown.
But sad the sequel is to tell,
He turned out more than the boss could sell.
The market slumped, the price went down,
Seven more days and they sacked young Brown."

That is precisely the story of Tinsley Park.

We have been told time and time again by the Minister that, as long as British industry gets rid of its surplus manpower and becomes more efficient and competitive, everything will be fine. The BSC got rid of two thirds of its work force. Tinsley Park has achieved the almost incredible productivity increase of 73 per cent. since the beginning of 1982. Now the BSC has decided to close it with a net loss of 800 jobs. Like the unfortunate William Brown, the workers turned out more than the boss could sell. Where is the incentive for people to become more productive if all that happens is that they are sacked? I do

not know what more people could do to carry out the Government's recommendations for productivity than what has been done by the people at Tinsley Park.

The BSC says that it will save £12 million a year by closing Tinsley Park, and that is its only concern. But surely the Government's concern must go further—they must consider the social costs that will go very deep, quite apart from the obvious cost of redundancies. Those 800 people will be permanently out of work, and, as there are 21,000 on the dole in Rotherham and Mexborough travel-to-work area, there is not much hope of those 800 people finding employment. That will be a continuing cost of £5 million a year. Sheffield city council will lose £3 million a year in contributions to the rates, and the other ratepayers will have to meet that because the closure of Tinsley Park does not reduce the need for the services that the council has to provide.

Many small contracting firms in Rotherham and Sheffield will face severe problems because they work for the BSC at Tinsley Park. They are the very small firms that the Prime Minister continually says she wants to help. She will put them out of business by closing Tinsley Park. There will be many other ripples throughout society in that area.

The Prime Minister tells us twice a week that recovery has come, that everything is working out better and that in no time at all we will be round the corner and everything will be fine. Despite what my right hon. and learned Friend said—and he was right—about manufacturing industry still operating at a much lower level than in 1979, it is nevertheless improving. Steel output is rising—in the first five months of this year, it was 4·7 per cent. higher than in the first five months of last year. Lest anyone suggest that the coal strike was a factor in this, I remind the House that the coal strike similarly affected both the periods under comparison.

In a recent report, the Select Committee drew attention to the decline of manufacturing and, in effect, asked what we should live on when the oil ran out if we had no manufacturing industry. It urged the Government to take the necessary steps to sustain and revive manufacturing industry. Recently I heard further sad news of the decline in manufacturing industry. I understand that Philips, the multinational, is to close its factory making washing machines in Halifax in the Yorkshire and Humberside region, with the loss of 660 jobs. It is transferring that production to Naples—not because of any problems with industrial relations or quality, but apparently because it has reached an agreement with the Italian Government. Our Government should be looking seriously at that because we cannot afford to keep losing such jobs.

If there is a reverse in the fortunes of manufacturing industry as a result of policy changes by either this Government or the next, we must have a steel industry that is adequate to meet any substantial increase in orders. I calculate that if the automotive industry were able to recapture just half of the market share that it has lost since 1970, that would increase the demand for engineering steels equivalent to the total capacity at the Tinsley Park works. Are we to abandon hope of ever getting our manufacturing industry back on its feet in that way? I hope not. Do Ministers really mean it when they talk about the need for our industries to become more competitive, to defeat imports and to get out and export their goods throughout the world? If they do, they must not throw away the tools to achieve that, and the most essential tool is the steel industry.

8.27 pm

Mr. Richard Hickmet (Glanford and Scunthorpe): In considering the order to increase the borrowing powers of the BSC, it is legitimate to examine its performance during the past 12 months and before. When the right hon. and learned Member for Monklands, East (Mr. Smith) responds to the debate, it behoves him to stress the fact that the BSC now poses a major threat not only to the steel producers of Europe but to the steel producers of the United States of America. We should remember that there has been a remarkable turnround in the performance of the BSC; its progress on productivity has been dramatic. We have equalled and surpassed levels of productivity in most of our competitor countries of Europe—and that is after successive Governments have injected into the BSC more than £12,000 million during the past 15 years.

Not only has the BSC achieved remarkable levels of productivity; it is on the verge of breaking even—despite the miners' strike, which cost the corporation £180 million. If any one questions the need for such increases in the borrowing powers, it is legitimate to remind him of the ruinous cost of that strike.

In their efforts, the militant Left and Mr. Scargill were not helping to keep open Ravenscraig steelworks, about which there has been much debate this evening. They were trying to bring about their closure, as well as the closure of Llanwern and Scunthorpe steelworks, in my constituency. It lies ill in the mouths of Opposition Members to criticise the Government's policy when the Leader of the Opposition failed to respond to a letter that I wrote to him on 9 May last year. In the letter I asked whether he supported Mr. Scargill's efforts to put 10,000 men out of work in my constituency. I received no reply. That is the regard that he had for the jobs of steel workers in my constituency.

In Scunthorpe, we were obliged to endure millions of lorry movements of ore and coal from the port at Immingham and ore from the wharves on the Trent. At Orgreave we had the most amazing scenes of violence directed simply to putting men in my constituency out of work. The rail unions made an effort to combine with the miners' union in that endeavour. With great respect, we did not hear much from the Opposition when those jobs were at stake. It is legitimate to bear it in mind that, despite all those factors, the profit performance of the British Steel Corporation has increased by £400 million over the past two years.

We are constantly told, both through the media and in the House, that Mr. MacGregor butchered the steel industry. It is a sort of litany that butcher MacGregor butchered steel workers' jobs and has now moved on to the mining industry to butcher miners' jobs. The only people who butchered the steel industry were those who insisted on maintaining manning levels and production techniques that were completely unrealistic. In 1979 we operated the most unproductive steel industry in the world. Britain produced less steel per man than the United States, Korea, Japan, France, West Germany, Italy, Belgium and so on. Steel production was not just marginally less; it was dramatically less. Is any credit given by Opposition Members for turning the British Steel Corporation into a major threat to its European competitors? No, none at all.

[Mr. Richard Hickmet]

What is the best thing that will secure the jobs of steel workers and the future of the British Steel Corporation, if it is not the fact that it is a highly competitive and productive organisation with productivity improving from approximately 14 man hours per tonne of liquid steel in 1980-81 to 6·9 man hours per tonne in the third quarter of 1984? No industry can hope to survive when it is so hopelessly unproductive, uncompetitive and uneconomic. It is to the credit of this Government, British Steel Corporation management, those who are employed in BSC and, I believe, the trade unions after the strike in 1981, which lost us so many markets and jobs, that we have faced those difficulties and taken steps that have enabled BSC to survive. Britain is now producing more steel than in June 1980, when BSC was recovering from that steel strike.

Those enormous improvements in the corporation's position are in stark contrast to five years ago when BSC was terminally ill and about to go down the tube, with our European competitors licking their lips at the prospect of picking up BSC's United Kingdom and world markets. In my view, it is absurd to suggest that we have cut out so much steelmaking capacity. Let me pick up the point about Ravenscraig, that if it were to close, we would cut out so much steelmaking capacity that we would be unable to respond to any reasonable increase in demand. Last year BSC produced 15 million tonnes of liquid steel. The hon. Member for Rotherham (Mr. Crowther) will know that when it comes to debating with the Commission on manned capacity and quotas, there is absolutely no point in talking up one's manned capacity — one does the reverse. If one bears that in mind, the fact is that BSC can produce about 21 million tonnes—that is to say, more steel than it has produced in the past 10 or 12 years. Those are the facts. BSC is currently operating at about 70 per cent. of capacity. That figure is not consistent with its target of financial viability.

The hon. Member for Rotherham referred to the closure of Tinsley Park. In my constituency, we lost 11,000 jobs when Normanby Park closed in 1981. Between 1981 and 1983, the industry was slimmed down and made more productive. As a Member of Parliament with a constituency that has about 20 per cent. unemployment as a direct consequence of the rationalisation in the steel industry, I am well aware of the problems associated with that, and the heartache and tragedy that such levels of unemployment cause.

BSC must pursue policies which, in the long term, protect the jobs of all those who work in the corporation. The special steels division of BSC has suffered from the remarkable decline in the British car industry. What was that decline promoted by? It was promoted by restrictive practices, manning levels and the trade unions' attitude towards employment, which brought British Leyland to its knees. Does the House remember Red Robbo, the shop steward who could bring out BL and the rest of the work force at the drop of a hat? Frequently he did so.

Mr. Crowther: He is not there now.

Mr. Hickmet: Why not? He is not there because of the policies towards trade unions pursued by the Government. Those policies have been condemned time and again by Opposition Members, but they are welcomed by the trade unionists who work in the industries concerned.

The consequences of the decline in the car industry have meant that United Kingdom car and commercial vehicle manufacturers have contracted by over 50 per cent., with imported cars now taking 60 per cent. and imported commercial vehicles 40 per cent. of the United Kingdom market. Throughout, the Labour party has condemned our efforts to promote trade union reform. In fact, it has fought it tooth and nail all the way.

Mr. Roy Hughes: The hon. Gentleman does not strike me as being terribly well-informed on the motor industry, because it is generally recognised throughout that industry that the reason for its decline was, first, very poor management and, secondly, a lack of investment.

Mr. Hickmet: Nobody can condemn this Government for failing to invest in the car industry when only two weeks ago the Secretary of State announced support for a £1·8 billion corporate plan. Throughout the lifetime of this Government they have stood by British Leyland and have attempted to inject proper management techniques into that corporation. It is idle to suppose or to promote the argument that restrictive practices and trade union practices within the car industry in this country had no effect on the position. The policies of the Government have, in fact, arrested the decline of British Leyland and the British car industry with the corporate plan announced by my right hon. Friend two weeks ago, enabling the development of a new British Leyland engine which will be of direct significance to the special steel divisions of the British Steel Corporation. When only 70 per cent. of capacity is utilised in special steels, when we have tried to hang on to our markets both at home and abroad and when special steels exports represent 24 per cent. of BSC's product, it has had to remain competitive in this highly competitive sector of the market. We have to match the competitiveness of our European rivals, who will shortly be producing steel at 9·5 man hours per ton compared to our 10·5 man hours.

Over the last 12 months the records of the British Steel Corporation have been remarkable. The British Steel Corporation has not only survived but is now breaking even. The Minister is to be commended for the Government's policies in this regard. I very much regret that Opposition Members give no credit whatsoever for what has been a remarkable success for British industry.

8.42 pm

Mr. Roy Hughes (Newport, East): At the outset of my contribution, may I first register my disgust at the fact that the Secretary of State for Wales is not on the Front Bench today. Nor has any Welsh Minister appeared throughout the debate. The people of Wales will make their own judgment about that, particularly because of the importance of steel to the Welsh economy.

In discussing the steel corporation's borrowing powers those of us who have taken an interest in the steel industry over many years will realise that an independent British steel industry is vital to us as an industrial nation. Without such an independent industry we would be at the mercy of overseas suppliers, with all that this can mean in terms of pricing policies and delivery dates. It has been said many times before that an independent steel industry is vital for Britain's defence needs. That is the basic premise from which I start.

Having listened to the Minister of State, I believe that it is becoming more apparent every day that the Government's policies are bringing neither stability nor confidence to the industry. Last year he said:

"We have made it clear that we wish the corporation's activities to be returned to the private sector." — [*Official Report*, 23 July 1984; Vol. 64, c. 739].

He was clear, and explicit. Understandably, though, such a declaration sent shock waves throughout the industry. Today he reiterated his position, but he was just a little bit more reticent, political considerations perhaps now having an effect on the Government. The Opposition believe in a publicly owned steel industry. It is too important an industry to be left to the machinations of private operators, because we recall quite vividly how the steel industry was starved of investment when under private ownership. I repeat, the Government's policies are not bringing stability or confidence to the industry.

For clarification and emphasis of this point I turn again to the evidence of Sir Robert Haslam, chairman of the British Steel Corporation, to the Select Committee on Trade and Industry a fortnight ago. His words were widely reported in the media. He said that the Government are actively discussing closure of either Llanwern or Ravenscraig with the British Steel Corporation. The manner in which that statement was reported is pretty clear and explicit, because, they argued, existing plants like Ravenscraig and Llanwern were operating to only 70 per cent. capacity. This under-utilisation is understandable, bearing in mind the considerable amounts of steel we are still importing. Secondly, we have to consider the very low level of economic activity in the country as a whole, particularly when about 4 million people are out of work.

Surely, as my hon. Friend the Member for Rotherham (Mr. Crowther) has argued so lucidly, this under-utilisation of capacity will eventually be needed when there is an economic upturn. Some of us believe that the Government expect no such economic upturn; nevertheless, they wish to return the steel industry to private hands. To make the Steel Corporation attractive to possible buyers the British Steel Corporation's assets have to be shown to be operating at capacity and, perhaps even more significantly, profitable. Sir Robert Haslam told the Select Committee that this over-capacity, to use his words, was an albatross around the neck of the British Steel Corporation.

Here I want to declare my constituency interest because the Llanwern steelworks is in my constituency. My first reaction to that statement was to say "What an albatross", because Llanwern is now universally recognised as one of the most competitive plants in Europe. Since the slimline operation some five years ago, in terms of output and overall efficiency it has won admiration far and wide. With such a spendid record, why should the management and, more particularly, the work force, be again thoroughly demoralised with the threat of closure?

This is the issue about which the people of Wales are so rightly concerned. It is with good cause, then, that I turn to the ignominious role that has been played in this whole affair by the Secretary of State for Wales. He has repeatedly praised the workers of Llanwern who have brought about such a remarkable transformation. On other occasions, notably in a speech to international business men in London on 12 January 1983, he denied any threat of closure and strongly hinted that new investment at Llanwern would be forthcoming. This has been his theme throughout, yet a fortnight ago the chairman of the British Steel Corporation told the Select Committee on Trade and Industry that the Government were discussing with the Steel Corporation the closure of either Llanwern or Ravenscraig. In other words, the ground has been taken from under the feet of the Secretary of State for Wales. He has deceived the workers of Llanwern. He is becoming recognised increasingly as a man who cannot be trusted.

The revelation of Sir Robert Haslam has caused dismay and outrage throughout the whole county of Gwent. I have here a letter from Mr. John Murphy, the secretary of Llanmartin and district labour party. I propose to read the letter, which is not politically biased. The housing estates in that district were built to house Llanwern steel workers. People flocked there from all over the country. Mr. Murphy himself, for instance, is a Glaswegian and a redundant steel worker into the bargain—a victim of the so-called slimline operation. He writes that members of his party

"are greatly concerned about what is happening in the steel industry and what effects it will have to our area if Llanwern had to close when this new corporate plan is published. We would be grateful if you could come to a special meeting of your calling before this plan is published. All I would need is (at the most) 24 hours notice".

That shows the urgency and concern felt in that area. That concern is understandable, bearing in mind that at the end of the March quarter, according to the figures released by Gwent county council, unemployment in the county stood at 17 per cent. Closure would spell disaster. What a poor reward that would be, in view of the remarkable efforts of the work force in recent years.

Llanwern requires two specific things — first, an assurance from the Government and the British Steel Corporation that the works will have a long-term future, and, secondly, a go-ahead from those two bodies for a concast scheme in the works at a cost of approximately £100 million. The works has been crying out for such a scheme for years. Concast is recognised as a more efficient way of producing sheet steel. As a country we lag behind our European competitors in concast capacity. Germany has four times the amount that we have and France and Italy have double or more our capacity. Investment in concast at Llanwern can be more than justified by the performance of the works.

Britain cannot afford any further cutbacks in its steel making capacity. Ultimately it is this country's long term interest that should prevail. The Government have for too long been slaves to political dogma.

8.53 pm

Sir Anthony Meyer (Clwyd, North-West): The hon. Member for Newport, East (Mr. Hughes) will have noted that his eloquence has drawn into the Chamber my hon. Friend the Minister of State, Welsh Office to listen to his strictures. I shall be agreeing with the hon. Member for Newport, East about the efficiency of the Llanwern steelworks but about precious little else. Certainly I shall not be agreeing with what he said about my right hon. Friend the Secretary of State for Wales, who has fought magnificently within the Cabinet for the interests of Wales and who would require a great deal of convincing if eventually the decision was to be against Llanwern, although I do not think for a moment that it will be.

It was no doubt shortness of time that obliged the hon. Member for Newport, East not to sing his familiar song about the ills of the British steel industry being entirely the

[Sir Anthony Meyer]

fault of the Common Market. The fanatics against the Common Market, such as the hon. Gentleman, like to pretend that it is the Community that has obliged Britain, and particularly Wales, to shut down so much of its steelmaking capacity and to lose so many jobs in the steel industry. This is, of course, to stand truth on its head.

The Community has done what any intelligent, modern Government have to do. It has cushioned the process of inevitable change. If there is one thing on which all those who have studied the question are agreed it is that there is enormous overcapacity of steel production in the world as the developing countries come on stream in steel production. Existing steel producers in Europe have the choice either of protecting their high cost production, which means not only massive subsidies to be borne by the taxpayers but imposing a crippling burden on the rest of the steel-using industry, or they can try to become as efficient as the developing countries. What the Davignon plan did was to ease the process of transition towards efficiency which inexorably means the loss of a very large number of jobs.

I am glad that the steel industry in Wales at Llanwern and at Port Talbot is efficient, judged by any standards. The Shotton steelworks, at one time one of the great producers of steel but sadly alas no longer, is now the most efficient coking plant in western Europe.

It has been recognised that Welsh steel producers, and Llanwern in particular, have achieved total competitiveness. They have eliminated overmanning, which was notorious. They then dealt with all kinds of demarcation disputes. If a fuse blows in the works, anyone can mend it. The production record is equal to any but—and I cannot stress this enough—the pursuit of competitiveness is unending. One never gets to the point where one is competitive enough to leave things as they are.

Two factors govern the future of Llanwern. The first is the question already raised on both sides of the House as to whether Llanwern is to get the continuous casting plant that it needs. Without that facility the most heroic effort of its workers will not enable it to stay in the competitive race for much longer. The second question—not yet mentioned—is whether Llanwern is to continue to be handicapped by having to buy more expensive coal than its competitors overseas.

For so long as the Coal Board is unable to push ahead with its strategy of making the coal industry as competitive as the steel industry has become, by closing down uneconomic pits and concentrating on the good ones, Llanwern, having committed itself to buying Welsh coal, is imposing a £2·5 million a year burden on its production costs. But the whole future of the coal industry in South Wales is bound up, in turn, with the survival of Llanwern and Port Talbot, though one would hardly have thought so from the conduct of the miners and, I am sorry to say, the railwaymen—who equally depend on the steel industry in South Wales—during the coal strike and their efforts to bring production at Llanwern to a halt. If the price of Welsh coal could be brought down, as it will be if the uneconomic pits are taken out of production, Llanwern will be able to remain competitive and to go on using Welsh coal. This obviously beneficent chain of events was too much for Mr. Scargill to swallow, and, sadly, the miners' union in South Wales went along with his wrecking policies.

One would have thought that the Labour party in South Wales, and especially the hon. Member for Newport, East, would have found the courage to stand up for their constituents and their supporters in the steelworks at Llanwern. Not a bit of it. The hon. Member for Newport, East went along uncomplainingly, proudly indeed, with the mineworkers and the railway workers trying to stop production at Llanwern. It was a moment of crisis, because it was touch and go whether Llanwern would have to shut down altogether and the furnaces go cold, their linings cracked, and the chance of revival gone for ever.

If they pulled through it was no thanks to the hon. Member for Newport, East. It was his colleague, my hon. Friend the Member for Newport, West (Mr. Robinson), who emerged as their champion. My hon. Friend is not here tonight; he has gone to help confound the pollsters in Brecon and Radnor. I want to pay my tribute to his heroic efforts on behalf of his constituents. Behind his quiet and diffident manner my hon. Friend has the ferocity of a tiger defending its young. I am sure that at the next election the voters of Newport will remember what my hon. Friend did for Llanwern and will remember what the hon. Member for Newport, East did not do.

After all this, the steelworkers of Llanwern must feel they deserve well of the Government. They have made themselves super-efficient. They have kept going through a strike designed to cripple them and now they look to the Government to make a gesture of confidence and gratitude, in particular, to give them the concast plant they so desperately need. I do not envy the Government their choice. Despite what the Select Committee on Trade and Industry said in its report the other day, there is no doubt that there is still overcapacity in steel production in this country. Three strip mills is probably one too many.

The Government have to weigh all the facts, but they have also to weigh, and weigh very heavily, the encouragement that a massive investment in Llanwern, or for that matter in Ravenscraig, would give to workers in coal, or steel or on the railways or throughout British industry who have had the courage to understand they must modernise or perish, and that strikes designed to halt modernisation do not delay death; they merely make it much more painful. The steelworkers at Llanwern, Port Talbot and Ravenscraig have given a lead to other workers in British industry and the Government need to weigh that fact very heavily.

It would not be reasonable to expect Ministers to give a firm commitment tonight about the future of Llanwern or Ravenscraig, but the workers at those two plants and all who are concerned with their future would do well to reflect on what the future of those plants would be if it lay in the hands of the Labour party who, in government as in opposition, have always lacked the guts to stand up to unions fighting against modernisation. Without a continuous process of modernisation, Llanwern, Ravenscraig and indeed Port Talbot are doomed.

9.3 pm

Mr. Paddy Ashdown (Yeovil): The hon. Member for Clwyd, North-West (Sir A. Meyer) touched on the question of managing change. I think he used the words "cushioning the necessary change". That is a matter to which I should like to return later.

We must welcome the order, because, within the structure by which we fund our nationalised industries—agreed between the Government and the Opposition—

we have no choice. It is the way in which we can provide the funding that the British Steel Corporation needs in order to be able to make the changes that are necessary. But it is reasonable and pertinent to discuss why we have such an order before us and why we have to constrict, ossify if we like, the mechanisms by which we fund our nationalised industries in a way which brings this order before us tonight.

We all know that our nationalised industries are, by statute and by agreement between the two major parties, not permitted to borrow in any sense upon the open market. They must get their money from the Government. That seems to be a product of the kind of tunnel vision that afflicts the two major parties in the way that they view our nationalised industries Both suffer from tunnel vision about the chasm that both seem to insist shall exist between the private and national sectors. Both pay tribute to the mixed economy, but they cannot mix within the economy. There is a massive chasm between them, and the way in which we fund our nationalised industries is a perfect example of that. The BSC and our other nationalised industries must go exclusively to the Government to receive their funding. Hence the reason for the order.

One of the reasons evinced by the Government for this curious policy, on which they agree with the Labour party, is that to allow more liberal structures by which the nationalised industries could raise funds would somehow starve the funds available to private industry. We are led into the ludicrous situation where, in order to get more flexible funding, the Government believe that they must go the whole hog and sell off assets such as British Telecom. That produces the very starvation of funds that they seek by this system to avoid.

It is equally ludicrous that, as a consequence of this kind of structure for financing our nationalised industries, the BSC borrows from the Government and ends up as a net lender of money to non-Government sources. That is revealed in table 5.4 of the BSC's expenditure plan for 1985-86. Although it borrows from the Government, it lends £86 million to non-Government sources, an admittedly very small sum compared with the sums that we are now discussing.

The Government have told us that they believe in wider share ownership. We have always supported them, because we have always believed in the need to move towards wider share ownership. But why cannot the British people also share in that by helping to provide the funds in their own nationalised industries? We wish to see much more autonomy for our nationalised industries within a broader, longer term plan, part of which would be a more flexible system of funding than at present.

If that serves to break down the barriers between nationalised industry and private industry, well and good. Those barriers should be broken down in a mixed economy. It is much more sensible to have such barriers broken down naturally by a more liberal programme of funding the nationalised industries than to stick to a system that merely preserves the chasm between the nationalised industries and the privatised industries.

When we wish to share with the people the industries that they already own, under the present system we must go through the ridiculous exercise of, for example, flogging off British Telecom, which merely converts a public monopoly into a private monopoly.

The background to funding is in our opinion narrow and afflicted with tunnel vision. But we are also discussing funds that in another way are crucial to the BSC. As the Minister and the right hon. and learned Member for Monklands, East (Mr. Smith) have said, the BSC has now moved significantly and commendably into a much more profitable and productive phase. Had it not been for the miners' strike, the BSC would probably have broken even in the near future, not just because of rationalisation but also because productivity has increased. That was eloquently touched on by the hon. Member for Elmet (Mr. Batiste).

The House has rightly paid tribute to that fact, because as a result unions, work force and management have good reason to be content with the current operating direction. However, it is one thing to make a small profit for a year or so but quite another to set a new long-term trend towards profitability.

Here we come up against the longer-term problems of BSC. Its large expenditure during the 1970s allowed for the modernisation that has resulted in increased productivity as well as some rationalisation. We are investing too little in plant and machinery, particularly in research and development.

Mr. Batiste *indicated dissent.*

Mr. Ashdown: I see the hon. Member for Elmet shaking his head. There are significant individual exceptions to that rule, but the corporation as a whole is investing too little. It is living off its modernisation investment in the 1970s. I have heard it said with a good deal of justification that the South Korean industry is technologically as advanced as our own. Present funding policies are failing significantly.

As for Llanwern, Ravenscraig and Port Talbot, we are of course referring to Llanwern and Ravenscraig. I share the concern of the right hon. and learned Member for Monklands, East not so much that the Minister of State cannot give an answer tonight as that he has boxed himself into a position——

Mr. John Smith: Why not?

Mr. Ashdown: The right hon. and learned Gentleman asks, "Why not?" The reason is that he has called for a report from BSC. He referred to the central problem when he said that it would have been much more honest and reasonable for the Government to draw up the parameters within which the report should have been submitted. They should say that they want a report from BSC which states whether or not it wants those three plants to remain in operation. But that is not what the Minister of State said. Since he has got himself into that position, we recognise why he cannot tonight give the answer that is being sought.

Last year the Select Committee reported—I see little reason why its report should be different this year, although we must wait until later this week to discover whether it is—that there is room for all three plants. It was said earlier in the debate that the three plants are operating at two thirds capacity. That means full capacity at two plants. What room is there for expansion? That must be what the Government want. I have heard it said that if production were to increase by as little as 10 per cent., the capacity of the two remaining plants would be significantly increased. I am told that last year productivity went up by 9 per cent. Will not the Government be looking for a similar increase in the years to come?

Sir Robert Haslam said that he is preparing for privatisation. No doubt there will be another exercise in

[Mr. Ashdown]

which we shall flog off the good bits and kill off the bad. We shall be left with a rump that will serve British industry ill in the primary supply of one of its key raw materials. The proposed privatisation programme of the Government is nonsense, but the real point is that this is a classic and symbolic case of the steel industry being treated as a political football by the two major parties. They have damaged one of our great industries. BSC is the key example of political ideology: privatisation versus nationalisation. The question is answered on purely dogmatic, not reasonable, grounds and it has greatly damaged this great British industry.

The record is well known to those who have studied it. BSC was nationalised by the Labour party in 1951, denationalised by the Conservative party in the late 1950s, and renationalised by the Labour party in 1967. There was also talk of denationalisation by the Heath Government in the 1970s. Now it is back again. What a climate in which to foster one of our great industries. It is a typical example of the dogma that inflicts the two major parties and that so damages British industry. It is a symbol of how a great industry can be destroyed by political ideology and dogma on the central question of nationalisation or denationalisation.

BSC needs a climate of political stability in Britain. It does not seem likely to get it, at least not under the present two-party system. BSC needs an economy that has been restored to full fitness. I agree with the Labour party's strictures and criticisms on that. BSC needs a Government who are prepared to invest in Britain in rebuilding some of the major parts of our infrastructure.

Mr. Hickmet: What about the Channel tunnel?

Mr. Ashdown: The Channel tunnel may be part of that. We are talking not just about the restitution of our existing infrastructure but about the building of an infrastructure which will be suitable for a modern industrial nation moving into the 21st century.

BSC needs a climate of political stability and an economy restored to more permanent fitness. Unhappily, until we see a change of Government, or until we can persuade the Government to change direction, none of that seems likely. BSC will have to stumble on making the best of an unhappy and unfortunate situation with great dedication, skill — the Minister is right — and commitment from its work force but, nevertheless, in a climate that will always stultify rather than encourage growth.

9.15 pm

Mr. A. E. P. Duffy (Sheffield, Attercliffe): Employment possibilities in Sheffield have been severely hit by the decline of the British steel industry. In 1971, there were 45,000 workers employed locally in the steel industry, of whom 54 per cent. were employed by the British Steel Corporation. By 1983, there were only 18,000 employees—a decline of nearly 60 per cent. Since then, redundancies have brought the number of steel workers to well below 17,000. At the end of the present financial year, BSC special steels division will employ only a few more than 8,000 people.

Against that background, on 28 March, the management of BSC special steels division announced its intention to start consultations on the possible closure of the Tinsley Park billet producing works in my constituency. The closure would affect 1,114 workers, with an estimated net job loss of 805, on the assumption that 300 jobs would be created at the Stocksbridge and Aldwarke sites in south Yorkshire.

On 4 June, it was confirmed that the closure of Tinsley Park would take place. The Iron and Steel Trades Confederation, the Tinsley Park multi-union committee, which is acting as a campaign closure unit, and the Sheffield city council were not satisfied that sufficient consideration had been given to the issues raised by the closure announcement, and they asked me to draw their anxiety to the attention of the House.

First, if implemented, the proposal would result in the largest closure of a plant in Sheffield in the past five years, and it would be the first local closure of a BSC plant. Secondly, there is considerable doubt locally that the 300 jobs can be created at Aldwarke and Stocksbridge as projected by BSC. The implication is that at least 805 jobs will be lost within BSC but that the final figure will be much greater.

Thirdly, also immediately affected but not included in BSC's estimates are the employees who work for contractors on the Tinsley Park site on bricklaying, cleaning and other services. In answer to questions from the city council, BSC said that it had not yet discussed the impact of the closure with those contractors.

Fourthly, the long-term effect will snowball through the rest of the local economy. Estimates produced by the city council's employment department show that every 1,000 jobs lost will mean that more than £2·5 million will be lost in local consumer spending.

Fifthly, the likelihood of those made redundant at Tinsley Park finding alternative work is limited. In May this year, nearly 44,000 people were registered as unemployed in the Sheffield travel-to-work area, a rate of nearly 16 per cent. At that time, there were 817 notified vacancies in Sheffield so that there was only one vacancy for every 56 people.

BSC special steels justified the projected closure by reference to its estimates of market prospects. As the House will know, its forecasting record has come under severe criticism in the past.

Mr. Martin Flannery (Sheffield, Hillsborough): Does my hon. Friend remember that we went for a meal with the leadership of BSC, Sir Robert Haslam and Bob Scholey, whom we now know very well? I asked, as I think my hon. Friend also did, whether the Sheffield area had anything pending of any size, and I asked about the Stocksbridge works to which I understand about 300 people from Tinsley Park are going. They replied that nothing was going to happen in Sheffield. A week after that, the closure of Tinsley Park was announced.

Mr. Duffy: I remember that meeting very well, and I am grateful to my hon. Friend for bringing it to the attention of the House.

My hon. Friend will know that this is not the only aspect of Tinsley Park which causes us grave concern. It is rumoured that there has been involvement over several years in Phoenix 2 which, despite repeated questioning of the Minister of State, has never been clarified to the House. Even at this late stage we do not know. The Minister, in his opening speech, refused to be drawn by one of his hon. Friends. I say no more about that, although

I am very concerned. Because of the time, I wish to reserve my main remarks for the impending closure of Tinsley Park.

Sheffield city council is not convinced that the forecasts made by BSC have taken adequate account of the expected rate of growth in British manufacturing industry in 1985-86. Nor is the multi-union committee at Tinsley Park convinced. Its secretary, Mr. Geoff Stronach, is reported as saying:

"We are working in the dark because no one outside BSC senior management knows what the financial situation has been at Tinsley Park. No profit and loss account is ever published; indeed, some of us suspect that our works has often been well into the black."

The multi-union committee is convinced that the closure decision is purely political and part of a long-term plan to cut back and privatise the UK special steels industry, and that its plant faces the axe solely because the Government desperately need to cut the asset value of BSC's special steel operations if they are to justify handing over control to the private sector under the Phoenix 2 plan.

Mr. Roy Bishop, who is divisional officer in Sheffield for the ISTC, notified the Select Committee on Trade and Industry last month of rumours abounding in south Yorkshire that the announcement concerning the formation of the new company, code-named Phoenix 2, is to be made in Parliament before the summer recess. This means that before the Select Committee has the opportunity to investigate and report to the House in depth on the crisis in engineering steels on the basis of evidence presented to it only the week before last by BSC as well as by ISTC, including Mr. Bishop, the production capacity in engineering steels will have been reduced from nearly 2·5 million tonnes a year to just over 1·5 million tonnes, a 33 per cent. decrease. The Select Committee will have been faced with a fait accompli, and the total capacity of engineering steels will have been reduced to a level lower than the present 1984-85 total sales of 1·7 million tonnes.

As Mr. Bishop argued not only in his written submission last month to the Select Committee Chairman but in his oral evidence a week before to the Select Committee, this means that, faced with a monopoly in engineering steels, customers would seek second sourcing from imports. Such increases of imports would reduce demand on the home industry to a level incapable of supporting such an industry, leading to the demise of the engineering steels industry and the dependence of the engineering industry on imports to maintain its production.

BSC special steels has given insufficient consideration to the wider social and economic implications of the closure of Tinsley Park. Its projections on the future need for engineering steels are too pessimistic. I therefore urge the Minister to delay the closure of the Tinsley Park works and the announcement in Parliament of the Phoenix 2 project until at least the Select Committee has had the opportunity to investigate and report in depth on the crisis now facing in particular the engineering steels industry and in general the supporting manufacturing industry.

9.25 pm

Mr. Tom Clarke (Monklands, West): I think that my hon. Friend the Member for Sheffield, Attercliffe (Mr. Duffy) will agree that today's events in the House which started with the Prime Minister's report on the Milan conference, and moved to the statement by the Minister of State in opening this debate, reveal the end of the resolute approach. There was nothing resolute about the weak and feeble responses from the Government Dispatch Box—especially those made to the reasonable questions of my right hon. and learned Friend the Member for Monklands, East (Mr. Smith)—or about the speeches by Conservative Members. They did not show that the Government were prepared to accept that our steel industry has little future if we accept the inhibitions pressed on it by a Government who are not prepared to stand up for themselves, for Britain's interests in Europe and for an industry which could thrive and has much to contribute to our manufacturing base. My colleagues have offered not only great hope for the future but the only hope for the future in recognising the role of steel manufacturing in the future of our industry and our economy. In spite of the Government's record, the steel industry has a great deal to offer.

When do the Government intend publishing the corporate plan? Sir Robert Haslam has said that it will be available in July but, in replying to my question, the Minister did not say when the Government intend taking their decisions. Because of the urgent need for action to be taken and the representations on the steel industry's behalf by hon. Members from all parts of Britain, I hope that major decisions will not be taken during the recess.

I sometimes believe that the House should pay more attention to Conservative contributions. In this debate we have seen yet again the type of divisions that Britain could well do without. Conservative Members have attacked the trade union movement and attempt to create geographical divisions. One of the greatest tributes paid to the trade union movement during all our recent steel debates has been that paid to its steadfast refusal to allow trade unions to be divided — Wales against Scotland and England against Scotland and the rest. Trade unions are rightly putting up a robust fight in the interests of the steel industry. I certainly want to lend them my support.

The Minister has every reason to be proud of the steel industry. He told the House on 1 May:

"The progress on productivity has been dramatic. We have equalled and surpassed the levels in France and Germany and done our restructuring."—[*Official Report*, 1 May 1985; Vol. 78, c. 254.]

That is certainly true, so why does he not offer the men in the industry the fruits of their achievement and their labour? In his speech today, instead of praising the employees' productivity and achievements he talked about privatisation, knocking the heart out of the men in the industry. They did not achieve productivity records to see their industry sold off to private speculators. They have achieved those records because they believe in their industry, they want to see a future for it and they are proud of their contribution to it.

Like my hon. Friends, I regret that the Minister did not find it possible to say anything about Ravenscraig or Llanwern. I was delighted to hear my hon. Friends draw attention to the fact that the former Secretary of State felt free to make an announcement about Ravenscraig in 1982. Significantly enough, that was in the middle of the Coatbridge and Airdrie by-election campaign. Yet two days before the Brecon and Radnor by-election the Government are so lacking in courage that they will not tell the Welsh, the Scots or the English their proposals for the industry.

I was delighted, too, that my right hon. and learned Friend the Member for Monklands, East referred to the

[Mr. Tom Clarke]

Gartcosh works in my constituency, which he represented until the last general election. The workers there are grateful to him for his efforts both before and since then. Like so many sectors of the industry, Gartcosh needs investment. No industry can thrive without investment in modern plant and without looking to the future. I met Sir Robert Haslam at the beginning of the year and argued for an investment of £2 million or £3 million to make Gartcosh competitive in recognition of the efforts of the work force, which has achieved such high productivity. Sir Robert could give no assurance even about the future of Ravenscraig. Moreover, he said that even if Ravenscraig survived that did not mean that Gartcosh will survive. If that works does not survive it will be a tragedy in terms of unemployment in my constituency and in Lanarkshire generally. We should be giving that plant the utmost encouragement.

What is the difficulty about making that small investment? The other day I put down a question asking the Chancellor of the Exchequer

"if he will estimate the effect on the level of the public sector borrowing requirement of the current level of unemployment in Scotland."

The Chief Secretary replied — I suspect that the Chancellor did not wish to give the answer himself—as follows:

"The current cost of benefits to the unemployed in Scotland is about £700 million. Since it is not possible to estimate the revenue forgone, the full effect on the public sector borrowing requirement cannot be estimated."—[*Official Report*, 27 June 1985; Vol. 81, c. *491*.]

I am asking for just £2 million for Gartcosh to keep 800 people in work. Yet no assurance has been given. The coke ovens for Ravenscraig, to which my hon. Friend the Member for Motherwell, South (Dr. Bray) will doubtless refer in due course, require a mere £90 million. Given the outstanding record of the men of Ravenscraig, Gartcosh and the rest of the industry, it is outrageous that they should be denied the tools for the job in terms of new equipment and a level of investment that the Government have not so far accepted.

In common with my right hon. and learned Friend the Member for Monklands, East, I represent the town of Coatbridge, which was once described as the iron burgh, and which exported equipment for building railways to Russia, America and other parts of the world. If Gartcosh is closed—there will be a tremendous fight before any such thing happens—there will not be a single iron or steel job in my constituency. Given that all the mines have now been closed since the closure of Cardowan, Monklands, West is being reduced to an industrial desert, which I fear will exist in the rest of Scotland, if we are not prepared to fight.

In my constituency 32 per cent. of the male population is unemployed. Most of the young people who are leaving school find either no jobs available or are offered opportunities on the youth training scheme, and that is that. That is an absolute tragedy, but it will be short-lived, because, like my right hon. and hon. Friends, I believe that the construction industry, which is in temporary decline, and other industries which are dependent on steel, will find that manufacturing can resume its former place in our industrial society. It is despair at its worst when the Government base their views on the assumption that our manufacturing base will remain at its present level. I do not believe that. The men and women who have given so much to our steel industry are entitled to far more than the Government have promised tonight. Because of the determination and commitment of those people, they will succeed, as will our steel industry.

9.36 pm

Dr. Jeremy Bray (Motherwell, South): My hon. Friend the Member for Monklands, West (Mr. Clarke) argued powerfully that tonight we should have been told how BSC will spend the £700 million on the necessary investment to ensure the future of the steelworks in our constituencies. My right hon. and learned Friend the Member for Monklands, East (Mr. Smith), and my hon. Friends the Members for Motherwell, North (Mr. Hamilton) and for Cunninghame, South (Mr. Lambie), who always speaks in debates on the steel industry, have all contributed to the debate. There have also been speeches from my hon. Friends the Members for Rotherham (Mr. Crowther) and for Newport, East (Mr. Hughes), and my right hon. Friend the Member for Swansea, West (Mr. Williams) will reply.

Although two Scottish Tory Members are present—they have just come in, no doubt to hear my speech—no Scottish Tory Minister is here to repeat the assurances about the Secretary of State's suit of armour, which, in his rather kinky style, he tends to keep in his wardrobe at home, but which he will dust off and bring out if the Cabinet is rash enough to consider any suggestion about the closure of Ravenscraig.

Ravenscraig will continue as an integrated steel works into the 21st century, not because it has become the symbol of the industrial survival of Scotland—although it has — nor because of the outstanding productivity records that are achieved by its workforce, which will continue, but because it is an essential element in our industrial recovery.

This afternoon I attended a conference at Chatham house on the future of information technology in Europe. The Commission's staff came hot foot from the Milan summit, where they had been contributing to the background briefing on EUREKA — the proposed European initiative on advanced technology. It is hoped that it will work in the integration of computer-aided design and computer-aided manufacturing methods. The British Aerospace representative explained the steps that British Aerospace had taken so that the airframe designers, their subcontractors and systems suppliers could work together on the aircraft design on one integrated computer system.

The other evening I was hearing about the proposed extension of that to the design of offshore production platforms. At present we have the engineering department of British Petroleum with its own computer-aided design and manufacturing system. It is designing the complete detail of production platforms on computer screens. That is then recapitulated entirely by contractors such as Brown and Root which undertake detailed design. That leads on to the production of engineering drawings for the fabricators, firms such as Motherwell Bridge that are hanging on by their teeth because of the current lack of investment. The entire complex of prime process operators, offshore operators, contractors, fabricators and steel producers is being integrated in one technology in which every square millimetre of steel has to be designed to standards which were never dreamt of in the past.

Ravenscraig is the only steelworks in the United Kingdom which can produce steel of the specifications required for Trident submarines. The same specifications will be required for the undersea completion systems that will operate in 2,000 ft of water off Rockall. These steels will be required for production platforms, undersea pipelines and for the technology that will be needed to gather minerals from the seabed in far parts of the world.

Industries that are currently in the cradle will be the basis of Britain's industrial recovery, which the Government are vandalising. The Government have no vision, no sense of responsibility and no plans for the future.

The House is being asked to approve an increase of £700 million in the borrowing powers of the British Steel Corporation. I am sufficiently old-fashioned to believe that when such a sum is asked for from the House the Secretary of State should ask for it personally and should be able to give a proper account of the plans and prospects of the industry. But what have we had? We have received a bland statement from the Minister of State. Apparently, he does not expect to receive the BSC's corporate plan before the end of July. We have had a further statement that there will be a steel council on 26 July when the future steel regime in Europe will be considered. Are not these mattes relevant to the corporation's borrowing requirements? Can the House be treated with such contempt that the Government can collect the money from us before considering policy requirements? That is no way to treat the House.

The Minister of State is saying, in effect, that he is prepared to allow the corporation to put up proposals that show no faith in Britain's industrial future. These are proposals that have already shed a destructive, morale-destroying miasma on those who have been, alas, influenced by the mutterings of the chairman and chief executive of the corporation before the Select Committee in June.

It is not sensible for a Government to give carte blanche to a major nationalised industry such as the steel industry by allowing it to make its own judgments on Britain's industrial future, for the Government to give no indication of what their views are on future steel demand, for example, and then to allow the corporation to say that if it maintains three strip mills one of them will be continuing as an act of charity. That is not the way in which to run a modern and efficient industry. That is no way in which to conduct the government of Britain.

There are two strategies before us. One is now openly preferred by Mr. Bob Scholey and his sidekick the chairman. It is to see an end to the Europricing regime, production quotas and Government subsidy. This will lead to a price war that will set the steel companies free to close whatever capacity they like to so that they can reduce the industry to a rump, which they think could then operate profitably and create a situation in which they can go off into the wild blue yonder of privatisation. That strategy would not work.

The chief executive of the BSC has so run down its research and development capability that, unless something is done urgently, it is condemned to be a low-grade bulk steel producer, unable to compete in the premium market. With closures, the BSC would be forced up to such a level of capacity working that the first stockbuilding surge would bring in a flood of imports, lose the loyalty of the customers and reduce the market share so that the BSC would find that it was falling back to the 70 per cent. level of a reduced capacity. That has been the story of the steel industry in cycle after cycle in the past 50 years. It has learnt nothing.

There is another strategy, which has been put forward most eloquently and with the greatest authority, not in this Chamber and certainly not by the Government, but in a study by the Technical Change Centre carried out for it by Dr. Darnell, a former engineering director of BSC and a widely respected veteran of the steel industry. He was the works director in the Steel, Peach and Tozer works in which the whole of the Sheffield mafia first cut its teeth in steel management, including the present chief executive of BSC.

The chief executive of BSC tried to suppress Dr. Darnell's report. Mr. Scholey wrote two letters to Sir Bruce Williams, the director of the Technical Change Centre, saying that it was against the public interest to publish this report on the future of the steel industry in Britain. The report points out that there is scope for a growth in the share of the British market and of the share that Britain has in the European steel market, but that it will come from trading up in grades of steel, in specifications, in the types of customers served and in the quality of service given to them.

The Government have set their face against this strategy by the way in which they have treated the BSC's finances. I hope that the Minister, when he is preparing for the corporate plan, which he will be receiving shortly, will read the report by Dr. Darnell. I am not even sure that the Minister knows about the report, which he should have had two years ago when it was published. It is a prime report on what should be the policy of BSC today.

The steel corporation has come through this difficult period of the miners' strike quite well. In the words of Mr. Scholey to the Select Committee:

> "I think it is fair to say we emerged from the strike without commercial damage."

The mean and crafty cavil of the Minister about the damage done by the miners' strike is so much nonsense. Having emerged from that difficult period, already in the first two months of this financial year the BSC has been operating at a profit on only 70 per cent. capacity. What more can the Government expect when, in the earliest stages of industrial recovery, the BSC is already able to make a profit and is finding that, at present levels of manning, its strip product works are working flat out? What possible reason is there for saying that the corporation does not require the capacity to maintain three strip mills?

If we look into the detail of how BSC does its production planning, we find a most extraordinary story. The Government might have been utterly unsuccessful in privatising BSC but, by God, they have successfully privatised the information on which BSC tries to plan. I invite the Minister to read May's issue of *Economic Trends* in which there is a contribution from Mr. Astin and Mr. Brady of BSC supporting a description of the commodity flow accounts which will be produced with the aid of finance from a group of users outside the Government. These are the United Kingdom commodity flow accounts giving production, consumption, exports and imports of commodities such as steel, and in future they will be produced and financed by a private consortium—and will not be available even to the House—yet they will

[Dr. Jeremy Bray]

use the powers of the Statistics of Trade Act 1947. They will collect prime information but not make it available for public use.

The information is so crude, however, that it does not even contain information about the steel consumption of the motor industry. It does not say how much a change in construction output would affect the demand for sections in Scunthorpe. It does not give any information about how a shift in the level of imports of Japanese cars would damage the level of demand from the strip mill division.

With that mutilated information base, BSC produces its extrapolations which would make the planners of the past such as Sir Robert Shone from British Iron and Steel Federation days turn in their graves. BSC is merely extrapolating present trends and the present defeatism of the Government. It is writing off all possibilities of industrial recovery and saying that, within that prospect, it sees a nice comfortable future for itself with just two strip mills. That is decadent, irresponsible and deplorable in any public corporation.

Of course, Llanwern and Ravenscraig will survive. Of course, there will be necessary investment in continuous casting at Llanwern and in the new coke ovens at Ravenscraig. There will be a re-establishment of serious research and development in BSC. There will be higher levels of customer service. Higher grades of steel will be introduced. All that will secure a future for the steel industry. The Government's motivation for allowing the first steps during the next few years until we can get on seriously with the job after the general election is simply that they are too scared to face the deplorable consequences of the miserable failures of their economic and industrial policies.

9.53 pm

Mr. Alan Williams (Swansea, West): Listening to my right hon. and learned Friend the Member for Monklands, East (Mr. Smith) and my hon. Friends the Members for Sheffield, Hillsborough (Mr. Flannery) and for Sheffield, Attercliffe (Mr. Duffy), I became increasingly disturbed at the deviousness and evasion that seem to have surrounded the tragic destruction of the Tinsley Park unit. The closure means the loss of 800 jobs in an area where there are 56 jobless people for each vacancy. Closure was determined in December 1983 when the Phoenix proposition was first put forward. Ever since then, the steel industry has consistently denied a relationship between that closure and Phoenix. It is only now that we are discovering the truth.

My hon. Friend the Member for Hillsborough said that during a meal that he and another of my hon. Friends had with the chairman and senior members of the British Steel Corporation just a week before the closure was announced, they were told that no such closure was envisaged. That leaves us with an impression of complete and thorough dishonesty by the BSC.

The closure has, in effect, taken place. It is virtually accepted that the plant cannot be saved. In the face of that deception, how can we believe assurances from Ministers, especially when they are given with such ambivalence? The Minister has been singularly coy. He has been offered opportunity after opportunity to repeat the assurances that have been given in the country by the Cabinet Ministers representing Wales and Scotland. We are left with the impression of an inexorable and tragic logic unravelling before us.

Perhaps inadvertently, the Minister has helped to clarify the position, although I am sure that that was not his intention. He said that his objective was to return the core operation of the BSC to the private sector. A few months ago the chairman of the BSC came to speak to a meeting in the House. He made it clear that there was only one way in which the core operation could be made profitable enough to be privatised. He actually put a figure on the level of profit that he required. Last week he mentioned £200 million, but said that that might not be sufficient. When he spoke to us a few months ago he said that he was aiming for a profit of £300 million. I chaired that meeting and I asked how he could make that profit with the three strip mills. He said that he could not—he could do so only with two strip mills. He said that the three strip mills were operating at 60 per cent. capacity, so that if one was closed there would still be 20 per cent. surplus capacity for any expansion. He has put that view to Ministers also.

As Margam is already highly profitable, the two units at risk must be Ravenscraig and Llanwern. The Minister said that he would not speculate on the future of any of the works. That is fair enough — after all, he is the responsible Minister. But if he will not speculate, on whose authority was the Secretary of State for Wales speaking when he gave the impression that there was no risk? With what authority was the Secretary of State for Scotland speaking when he tried to give the impression that there was no risk?

Only last week, the Secretary of State for Wales said:

"I know of no such closure threat."

If one knows the Secretary of State for Wales, that is not much comfort, because what the right hon. Gentleman does not know far outweighs what he does know. My hon. Friend the Member for Newport, East (Mr. Hughes) will recollect that for a couple of years there was a scandal of a crumbling hospital near the right hon. Gentleman's head office in Cardiff—directly his responsibility. It was only when we started asking questions in the House that he discovered what was going on. Therefore, I am not surprised that the right hon. Gentleman does not know. Indeed, I sometimes wonder what he does know. However, we had better not speculate too far in that respect. After that statement by the right hon. Gentleman, there was the ominous point:

"But he admitted that there were problems of overcapacity in the industry."

Is it not a fact that, regardless of the corporate plan that the Minister hopes to get in July, in July last year the chairman of BSC presented his Department with a document outlining the options if the Government were to achieve their objectives of maximum privatisation, including privatisation of the core sector, as stated by the Minister? Is it not a fact that in that option document, which has been with Ministers for 12 months, the closing of one of the plants that I mentioned was envisaged? Is it not a fact that the Secretary of State for Wales and the Secretary of State for Scotland would or should have been aware of the contents of that document? Is the Minister saying that he has kept that information from the other Departments, or were the other Departments pretending that they had not had the information?

When that document was put to the Government a full year ago, the chairman of BSC was taken aside and told, "Don't expect an answer. Don't expect a discussion. There will be no talk about this until the coal dispute is over". The chariman told us that in Committee. Therefore, the document has been lying on the table. The coal dispute is now over. The chairman told the Select Committee only a week ago that the document is now under discussion.

So whom do we believe? Do we believe the chairman, in what he has twice repeated in different forms, that one of those plants is at risk? Or do we believe the befuddled ramblings of the Secretary of State for Wales and the dodging and evasion of the Secretary of State for Scotland?

After all, we are not talking about something that will be imposed by the EEC. That matter was also clarified tonight. In the past, Ministers have always said, "You have to understand: it is not us; it is the nasty Commission. It's those bureaucrats over in Brussels. They're telling us that we have to cut back. We have too much steel." But what do we discover from the Minister of State? Far from having too much, he has cut back more than Brussels asked him to cut back. He admitted that earlier. I invite him to read in the *Official Report* tomorrow what he said.

Therefore, if one of those plants is to go, the Minister cannot blame Brussels or say that the reason is the elimination of loss-making, because he boasted to us that BSC is already in trading surplus. But the fact is that the Government intend to take the profitable parts, sell them off as quickly as possible and leave the less profitable parts there so that they continually contract. In pursuit of their ultimate objective—the privatisation of the core sector of the industry—to which the Minister admitted this evening, all the jobs and capacity will be lost at one of those two plants.

This is the reality of what the Minister had to say. It is confirmed by silence on one key factor. If there were one degree of truth in what the Secretary of State for Scotland and the Secretary of State for Wales are jointly saying, that neither of those plants is at risk, one would expect to hear tonight something about the level of investment that is needed at Ravenscraig and at Llanwern. That would be the assurance the House and the country might have expected. The Secretary of State for Wales has said that he can be sure that this Government would not allow these plants, on which the industry's future success and profitability depend, to be deprived of the necessary investment. This is an opportunity for the Minister of State to give that assurance. It would be a disaster for the whole of Gwent, with 17 per cent. unemployed already, if Llanwern were to close with 4,000 jobs going at the same time as 2,000 jobs are being phased out nearby at Girling.

One would have thought that, on the eve of a by-election nearby, a Government who could find the money to save army camps could find the money to revive prospects that seem to be lost in the locality. Every attempt from hon. Members to extract a promise from the right hon. Gentleman that reflects the protestation of the Secretary of State for Wales and the Secretary of State for Scotland has failed. One is left with a rather embarrassing question. Which of these three Ministers is telling the House and the country the truth? Are any of them telling the truth? It is clear from the nature of what we have heard tonight that the Government are ashamed and embarrassed about what they eventually intend to reveal and that they have no intention of revealing it this side of the by-election.

10.7 pm

The Minister of State, Department of Trade and Industry (Mr. Norman Lamont): We have heard a blood-chilling speech from the right hon. Member for Swansea, West (Mr. Williams). The only stage at which he became convincing was at the mention of the magic word "by-election" and then we began to see the motive for part of his speech.

The hon. Member for Motherwell, South (Dr. Bray) has made some very interesting speeches. I am not sure that tonight he seemed as anxious to inform the House as to make political points. He sought to imply that the miners' strike had had no effect upon the British Steel Corporation. He referred to the fact that I had the audacity to refer to the miners as mean and cavilling. If the hon. Minister thinks that the miners' strike has had no effect on the steel corporation, let him wait seven or eight days until the accounts come out and he will be able to read about it there. It may be that the chairman of the corporation said to him, "We are resisting this strike, and because of our efforts we are a healthy corporation and we have managed to come through this, but that it has had a financial effect on the corporation nobody can doubt, and it will be demonstrated very clearly in the accounts".

I had a bit more sympathy with the hon. Member when he referred with some irritation to the fact that we have this order before the accounts are available, before indeed the corporate plan is available to the House. I understand that. But the point at which we raise the level of the ceiling on the borrowings of the corporation is determined, alas, not by the cycle of the corporate plan but by the borrowing situation of the corporation. As the hon. Gentleman, who has often come to these debates, will recall, it is not unusual for Governments of either party to have to make increases in the borrowing powers at a time when a corporate plan has not been submitted to the Government or an outline of it made available to the House.

The hon. Gentleman will also recognise that we are not, as he put it in his speech, collecting the money or spending the money. The order is permissive only. The expenditure of money will be subject to approval by the Government and subject to the procedures of the House in the normal way.

The hon. Member for Sheffield, Attercliffe (Mr. Duffy) referred to the closure at Tinsley Park, as did other hon. Members. Of course one regrets very much the loss of jobs that that closure has entailed, particularly in view of the efforts made by the work force and the management at that plant. It was certainly not a decision taken lightly by the steel corporation. But I repeat what was said before which — for reasons that were not clear, the right hon. Member for Swansea, West seemed to dispute — that that decision was not connected with the Phoenix 2 project. It was a decision which BSC had to make and wanted to make on its own account because it was losing money in that sector. It cannot be a decision made on the basis of Phoenix 2 because no decision has yet been made on Phoenix 2. The decision was made on the commercial judgment of the corporation because it thought the decision was necessary.

Mr. Crowther: The point needs to be clarified. If the closure at Tinsley Park has nothing to do with the Phoenix

[Mr. Crowther]

2 proposal, will the Minister tell us when BSC first decided that it intended to close Phoenix 2 and when BSC first told the Minister? We now know, because Sir Robert Haslam told me when I questioned him about it, that that proposal was included in the Phoenix 2 proposals submitted to the Department in December 1983. If the decision had been made independently of Phoenix, it must have been made some time before that. Yet the unions were not told about the decision until March 1985.

Mr. Lamont: I do not recall the timing of the decision, but I repeat emphatically that that decision could be made and was made independently of the Phoenix 2 decision. It is one that the corporation wanted to make, regardless of whether Phoenix 2 does or does not go ahead.

Sir John Osborn: One of the most important things for a person in my position to know is what options have been before BSC locally in connection with Stocksbridge, Aldwarke and Tinsley Park, the options of future sales and why this decision has been reached. Obviously I have to support my hon. Friend the Minister, but so far I have had no information as to what the options are for the basis of that decision. This is what the Select Committee would like to know, too.

Mr. Lamont: The decision on Tinsley Park had to do with the costs of the plant and demand for the product. Those are the essential features. I cannot comment on the part that other plants in the Sheffield area might play in the Phoenix 2 project. My hon. Friend will understand that that project is still very much under consideration. I will see that my hon. Friend is given a full account by the corporation of the reasons for the Tinsley Park closure, but the decision was a commercial one and not in any sense political; it was independent of any decision that might be made on Phoenix 2. It is a decision the corporation wanted to make even if Phoenix 2 did not go ahead. My hon. Friend the Member for Sheffield, Hallam (Sir J. Osborn) also referred to the new mood of confidence that he said was appearing in parts of the private sector. Listening to some hon. Members, I did not recognise the picture either of the steel industry in general or of the British Steel Corporation in particular that was being painted in the debate.

I very much agree with what my hon. Friend said, that the great thing we must not do in the steel industry, and particularly in the British Steel Corporation, is to have Governments making political decisions about the industry and all the time about particular plants. The hon. Member for Rotherham (Mr. Crowther) just dismissed Sir Robert Haslam's views and those of Mr. Scholey—they are not the owners of the business, he said—as though we did not think it was in the interest of the taxpayer to have the professional manager's views. But that must be in the interests of the taxpayer and in the interests of those who work in the industry.

Several hon. Members referred to the state of demand in the steel market. The hon. Member for Rotherham and the hon. Member for Motherwell, South thought that the Government and the steel corporation were being far too pessimistic about steel demand and very much regarded what they saw as the low level of steel production in this country as being a result of the Government's industrial policies and an utter condemnation of the Government's policies. What they seem to leave totally out of account is the fact that steel production throughout Europe in 1985 is lower than it was in 1979. They leave totally out of account the fact that there has been a structural change, and that other materials are being substituted for steel. They leave totally out of account the fact that the European Commission is forecasting that in 1990 steel consumption in Europe will be no higher than it is today.

We may not like it and we may think it is very difficult, but those are things that we have to take into account. They are things upon which it is useful to have the opinion of the British Steel managers which the Opposition simply wish to wave away.

The hon. Member for Yeovil (Mr. Ashdown) wondered whether the corporation could raise money on the private capital market. As he rightly said, that is difficult to do within the present legislative framework, although nationalised industries have borrowed on the Euro currency markets. I very much agree with his general point that we ought to blur the distinction between the public and private sectors. That is one reason why we have been keen to have the joint ventures, Phoenix 1, 2 and 3. I agree with the hon. Gentleman on that point, but I did not agree with the picture that he painted of the steel corporation being depressed and restricted and fed up with the Government's policies.

If Opposition Members think that, let them ask the management of the steel corporation. I talk with them and I know that all my hon. Friends who take an interest in the steel industry talk to the managers of the corporation. If hon. Members opposite talk to them, they will find that morale is high because people are encouraged by the fact that they have been given greater commercial freedom, that they have been able to make decisions and have brought about spectacular improvements in the productivity and profitability of the industry, and that we shall see the first accounting profit for a decade. Such things encourage people and mean that morale in the industry is high.

Inevitably, much of the debate has been about Llanwern and Ravenscraig. The hon. Member for Newport, East (Mr. Hughes) called for investment in concast at Llanwern and the right hon. and learned Member for Monklands, East (Mr. Smith) called for investment in the coke ovens at Ravenscraig. He wants £90 million invested in the coke ovens at Ravenscraig before we have had the opinion of the steel corporation. Of course, we shall consider it, but we are of the opinion, particularly when we are thinking about spending £90 million, that we might as well have the opinion of the professional managers first before making a decision about it. I agree with the comments of my hon. Friend the Member for Clwyd, North-West (Sir A. Meyer) about Llanwern and the great improvements there. There have been remarkable improvements in productivity and the people there have very much responded to the fact that they have been given greater commercial freedom. I met a number of shop stewards from Llanwern the other day and they told me that one of the best things that had ever happened to the steel corporation was the appointment of Mr. MacGregor. The shop stewards from Llanwern told me what he had achieved for the corporation.

As to Ravenscraig and Llanwern, we have made it clear that these are decisions in which the Government must obviously be involved. We have also made it clear—I did so again in the debate—that we must have the views

of the BSC, and we have not yet had the corporate plan or the recommendations of the corporation. I do not believe that that is inconsistent with what my right hon. Friends the Secretaries of State for Scotland and for Wales have said. Of course they are proud of what has been achieved at the steel plants in their countries, but we must also have the views of the corporation.

Mr. John Smith: If that is the case, what attitude are we to take to statements by the Secretaries of State for Scotland and for Wales? Are they pronouncements on behalf of the Government to which we should lend credence?

Mr. Lamont: No one has ever said that there is a guaranteed future, for ever, for every plant in the corporation, and nothing I have said tonight has been inconsistent with what has been said by my right hon. Friends.

The right hon. and learned Member for Monklands, East is extremely agreeable and makes intelligent speeches, but tonight he made a slightly dishonest speech. He accused me of bland evasions because I did not answer specific questions about specific plants. I am sure that any Minister would do the same. But I was absolutely clear about viability and said that that was the Government's objective. The Government want the corporation to achieve enduring viability. Decisions on plants are largely for the management, although the Government wish to be involved in the Ravenscraig and Llanwern decisions.

The right hon. and learned Gentleman could not be clear about viability. He would not accept that viability was a reasonable objective for the corporation. From the way that he answered the questions that I put to him, he seemed to suggest that every decision on every closure —not just the big strip mills—ought to be made by the Government, and that such decisions would be made by a Labour Government. In other words, we would go back to the way in which the BSC was so disastrously run by the last Labour Government—a sort of Beswick review, where every decision was subject to their preoccupations with by-elections, a subject that has not been so absent from the minds of Opposition Members tonight.

It was not at all clear whether the right hon. and learned Gentleman was in favour of viability. He seemed to agree with his hon. Friend the Member for Rotherham, who seemed to want a social policy for steel. The right hon. and learned Gentleman does not want the industry run in order to create a profit and to be a wealth creator rather than a wealth consumer. That is what we want for the corporation, and that is why we want privatisation. That is a spur to the creation of wealth rather than the consumption of wealth.

All the signs are that the BSC is making substantial progress and is well on the way to being a wealth creator. That is why the finance made available by the order ought to be accepted by the House.

Question put and agreed to.

Resolved,

That the draft British Steel Corporation (Borrowing Powers) Order 1985, which was laid before this House on 20th June, be approved.

Supplementary Benefit

10.23 pm

The Minister for Social Security (Mr. Tony Newton): I beg to move,

That the draft Supplementary Benefit (Requirements) Amendment Regulations 1985, which were laid before this House on 26th June, be approved.

At the outset I shall speak fairly briefly, and later I shall respond as fully as I can to the points that I know a number of hon. Members on all sides of the House wish to make.

As is the convention on these occasions, I shall first outline the main points of the regulations.

The first part of the regulations relates to the financial limits rather than to the time limits for board and lodging and increases the flexibility of the transitional protection arrangements that are contained in the original regulations. Those arrangements allowed for 13 weeks' transitional protection of the charge being met immediately before 29 April 1985 for people in ordinary board and lodging accommodation over the age of 25, and for those aged 16 to 25 who fell into any of the categories that are exempt from the time limits. Under the amending legislation the 13 weeks can be extended, at our discretion, for particular cases or classes of case.

The second part of the regulations extends the categories of claimants who are exempt from the time limits on boarder status to cover those young people under the age of 26 who are living with their parents or step-parents in board and lodging accommodation. We know, for example, that the absence of this exemption has been causing particular anxiety among young refugees, many of whom live with their parents in such accommodation. That was not our intention. I hope that hon. Members will be pleased to know not only that we are making this further exemption but that we have made arrangements to make ex-gratia payments to claimants who fall into this new category until the regulations come into operation.

Thirdly, the regulations also provide generally for greater flexibility in the area of exemption categories. As I said in my statement last Tuesday, we believe that our original list of exemptions generally covers those vulnerable young people who genuinely need to be in board and lodging accommodation for more than a short time. However, we want the ability to move swiftly to cover other categories, should it prove to be necessary. The regulations therefore provide for the Government to extend the list of exemptions, if it should become clear that there are other groups to whom the time limits should not apply.

I should also record that the regulations are being made under the urgency procedures so that their wholly beneficial provisions can be introduced as soon as possible. They were not, therefore, referred to the Social Security Advisory Committee before being laid before the House, but they were referred immediately after they were laid. I am glad to say that I understand that the Committee has considered the regulations and, because of their beneficial nature, has decided that it does not wish the regulations to be referred to it for report.

Part of our purpose in these further regulations is to provide additional flexibility to respond without delay to problems, as they arise, that affect non-exempt groups. We have identified two situations where we think that it would be appropriate to use this new power at once. First, we propose to extend the exemption list to cover ex-foster children living as boarders with their former foster parents, a point that has been raised by, among others, the right hon. Member for Chesterfield (Mr. Benn). Secondly, we intend to extend the list to include young people on bail where the operation of the regulations would otherwise conflict with the conditions of their bail—for example, if there is a requirement to remain in the area. These are two groups where it is clearly right, within the purpose of the policy, to exempt those concerned from the time limits.

I indicated, both in my statement last Tuesday, and in response last Friday to the Adjournment debate of the hon. Member for Livingston (Mr. Cook), that we have reinforced our guidance to local officers about the administration of these regulations, in particular to ensure that notification letters to claimants not only ask the claimant or, equally important, anybody acting on the claimant's behalf, to let the office know immediately if he thinks that he falls into one of the exemption categories but to let it know of any special circumstances that may show a need to be in board and lodging accommodation. That is not only to enable us to ensure that the regulations are administered as effectively as possible but to assist us in examining whether there are any further exemption categories that need to be covered and taking the appropriate action, if need is shown.

The hon. Member for Livingston raised a number of points in last Friday's debate, which he asked me to consider. I am pleased to be able to respond tonight to one of those points. We have asked local officers to draw up a list of places and agencies in their area, including the DHSS office, where claimants will be able to seek help and advice over, for example, finding accommodation or understanding how the exemption categories may apply to them. I hope that that news will be welcomed on both sides of the House.

I cannot respond in the same way to the other suggestion that the hon. Member for Livingston made about what might be called the administrative side—in effect, that we should communicate to such agencies the names of people to whom notices under the board and lodging regulations had been sent—for the obvious and I hope simple reason that it would not be appropriate for the DHSS routinely to send information about claimants' affairs to other bodies. I hope that the House will appreciate the difficulty that such a proposal would cause.

Mr. Gordon Wilson (Dundee, East): I welcome those relaxations, but the Minister said that if special cases warranting exemption arose they would be considered sympathetically by his Department. What time will elapse between a category arising and the finding of a solution? One of the points made by the hon. Member for Livingston (Mr. Cook) was that there could be problems with suicides and other such unfortunate events.

Mr. Newton: One of the advantages of the amending regulations and the reason why we have brought them forward is that they provide a mechanism for extending the exemption categories by enabling the Secretary of State to specify classes of case to be added to the exemption list. It is a process which can take place quickly. It would depend only on the decision-making process within the Department which would, of course, involve Ministers. I

hope that that can be done quickly, if the need is shown. The decisions can be communicated quickly to the local offices.

The merit of what I am proposing is that it enables us to respond quickly. I must emphasise, so as not to mislead the House, that the power is to specify types of case that would be exempt; it does not extend to the use of discretion about individual cases. That would raise rather different legal issues.

When we introduced the new regulations in April we promised to monitor them closely and to be willing to make changes if the need were shown. These regulations are evidence that we meant what we said. That monitoring will continue through regular returns from all our offices and in other ways. In particular, we have asked the social security policy inspectorate to extend its earlier work on board and lodging and to consider also the effects of the new regulations. We have also commissioned a firm of management consultants, Ernst and Whinney, to undertake a detailed study for us of residential care and nursing homes. The study will have the following terms of reference:

"To provide information on the operation of the market in private and voluntary provision of residential and nursing care, with particular emphasis on the impact of social security payments to residents in homes."

We have asked the consultants, within that broad framework, to examine the relationship between charges and costs; cost differentials in different categories of homes and different parts of the country; and the effects of benefit levels on the operation of the market. Many organisations have expressed their willingness to assist in a factual examination of those issues, and I am sure that the consultants will receive full co-operation.

We expect a report within about six months, and intend to take account of the findings in the review of these matters which we have, in any case, undertaken to carry out within a year of the implementation of the regulations.

Mr. Frank Dobson (Holborn and St. Pancras): How much will the Minister pay the consultants?

Mr. Newton: I cannot give an estimate of that at this stage, but I shall see whether I can provide one when I seek to reply or at some later stage. It will to some extent depend upon the work involved.

Mr. Frank Field (Birkenhead): When the inspectorate's work is complete, will it be published?

Mr. Newton: The hon. Gentleman will be aware that we have made it our practice generally to publish social security policy inspectorate reports. I do not wish to give a definite undertaking, but I shall consider that point sympathetically.

In conclusion, I wish to remind the House of the main reasons for the action that the Government have taken. The figures of escalating expenditure are now well known. Ordinary board and lodging rose from £52 million in 1979 to an estimated £380 million in 1984. The total of board and lodging payments, including residential care and nursing homes, rose from about £60 million in 1979 to an estimated figure of nearly £600 million in 1984. To put those figures in perspective, I make the point that they would pay for almost all the significant improvements in benefits for disabled people which are frequently urged upon me by both sides of the House. It would be hard for anyone to justify expenditure on such a scale for this purpose alongside the other pressing needs which many perceive in the social security system.

Frankly, however, cost alone was not by any means the only reason for moving in this direction. I have already referred to the study that we have commissioned by Ernst and Whinney in the residential care and nursing home sector. I ought to tell the House that some months ago we commissioned a study into the board and lodging market by the same firm of management consultants. The report, which we have recently received and which I am arranging to have published and placed in the Library shortly, contains some revealing points. In three of the six areas that it studied, landlords set their charges by reference to the Department of Health and Social Security supplementary benefit limits. In half the areas, there was evidence that landlords were charging higher amounts for DHSS claimants than for other residents, sometimes as much as £15 higher. In four of the six areas, a high proportion of advertising by landlords was directed specifically at DHSS claimants and, of course, many landlords acknowledged that claimants were their primary market.

Those findings are, I think, some indication — together with figures that showed an increase in Reading of 37 per cent. in the number of board and lodging claimants in less than six months—of a degree of abuse and exploitation that was widespread and on which, in my judgment, action needed to be taken. There was considerable abuse and exploitation, not only by claimants but also by landlords. There was a pattern of encouragement of inappropriate use of board and lodging accommodation and, not least, a position in which a growing number of young people were effectively trapped in that they could not afford to take work because there was no way, once they had taken a job, in which they could continue to pay for the accommodation in which they were living.

In moving to curb these problems, the Government were at least equally anxious to protect those with real needs, hence the extensive range of exemption categories and the further action that I propose to the House tonight.

I do not believe that any hon. Member seriously doubts that some action was necessary. As I said last Tuesday, the aim of our action is to strike a proper balance between curbing that undoubted abuse and ensuring that genuine social security needs are effectively met. The purpose of the regulations is to help us further that aim.

Mr. Deputy Speaker (Mr. Ernest Armstrong): I remind the House that the debate should be restricted to the specific provisions of the regulations, which deal with the extension of board and lodging allowances for persons under 26, and to the transitional arrangements for persons in ordinary board and lodging accommodation.

10.38 pm

Mrs. Margaret Beckett (Derby, South): We have listened with interest to the Minister tonight, and noted that once again he has explained facts of which, as my hon. Friends have already pointed out, we were fairly cognisant, facts which we took pains to try to point out to the Government when they brought before the House the temporary regulations, which the regulations now under consideration seek to amend.

Perhaps some people were exploiting a loophole that the Government opened. It was not the claimants who

[Mrs. Margaret Beckett]

were exploiting the loophole, but the landlords, yet it is against the claimants that the Government have taken action. This is one of our main concerns.

The Minister has had to return to the House within a short period with urgent amending regulations. Unless he suspends or withdraws them, he will speedily return with yet more amendments and changes, even though he has taken powers under these regulations to make some of the changes that might be necessary.

A week or so ago, I was present at a meeting of claimant advisers from a range of areas and agencies in my constituency. The meeting had been arranged some time before to discuss issues that the advisers believed to be of prime importance. The advisers talked for more than an hour about nothing except board and lodging regulations. I asked why they were concerned mostly about these regulations, and they replied that the nature, extent and scope of the problems that they were facing as advisers had swamped every other aspect of social security work and had completely destroyed all the other advice work that they sought to do. That is the nature of our concern about the regulations. Do they go far enough? Will they allow the Government to do enough? Will the Government use the powers that they have been given? The Minister touched only lightly on that last aspect.

The regulations fall basically into two parts—those that mostly affect the young with regard to time limits and those that affect all claimants, including those in need of care who are in homes of one type or another and are affected by the limit on payments. Despite what the Minister said about reports, the common thread that runs through the background to the regulations has been the wish to save money. The hon. Gentleman referred to a recently received report from the same management consultants who are inquiring into residential homes. I suspect that the report was received after the amending and original regulations were drafted and introduced. It is unfortunate, to say the least, that the Minister is commissioning a study of the effects on residential homes only at this stage. Those effects will have been felt for nearly a year by the time the report is published. It is a pity that the studies were not conducted first. When the Social Security Advisory Committee looked at the regulations, it pointed out that the Government seemed to have little evidence to support their action, although they had plenty of stories and anecdotes and made plenty of horrified remarks.

We are dealing with the effect of Government action, yet the burden will fall on the claimants. It is worth restating the basic nature of the problem. Increased homelessness and unemployment have contributed to the tendency that the Government so deplore. Conservative Members do not seem fully to understand that point. About a week ago, the Under-Secretary of State said:

"Nobody in need can slip through that net of exemptions."

Presumably that has been overtaken by events, or we would not be considering these regulations.

The hon. Gentleman continued:

"Opposition is coming solely from those individuals who cannot be bothered to look for jobs and prefer to live without effort off the B and B allowance."

Those remarks were insulting but, more unfortunately, they were singularly inaccurate.

The basic problem is that the regulations are utterly unrealistic. They had their genesis during the reign of the former Minister for Social Security—the hon. Member for Brent, North (Dr. Boyson)—whose measures have had many unfortunate effects. The regulations are governed by the "Gillick syndrome", which the Government seek to attack in the other place and against whose effects they seek to defend us. The syndrome assumes that all young people have happy relationships with their parents, that all parents have adequate resources and that all is for the best in the best of all possible worlds. Unfortunately, the reality is emerging so quickly that, even before the regulations come fully into effect, we are seeing the effects on the large numbers of vulnerable claimants who are not protected by the exemptions, and who will not be protected by the amended regulations, and on those who are not regarded as sufficiently vulnerable to be in exempt categories but who often are genuinely unable to find suitable alternative accommodation. We recognise that accommodation is also a matter for the Department of the Environment. While the Minister is having consultations and getting reports it might be as well to consult that Department about how to deal with the problems of inadequate housing.

People now in board and lodgings because it is difficult or impossible for them to find other accommodation will be even less well placed when the regulations come fully into effect and they have to move on every two, four of eight weeks. They will then never be able to qualify for local authority housing in the normal way. They will effectively lose their right to vote and their right to sustained medical treatment because they will not be in the same area long enough to enjoy the normal rights available in a civilised society.

There are then those who are potentially exempt, or who should be exempt if we are to be stuck with the regulations, but who are not allowed exemption. There are enormous problems of definition. There are supposed to be exemptions for those who are chronically sick. I understand that that may cover relatively minor but long-standing illness. Those refused exemption in that category include an unstabilised epileptic, an asthmatic who has severe attacks and a diabetic who has to inject himself daily. The former need stability and supervision while the latter needs a clean environment to maintain health.

Others who should be exempt but have been refused include a young man of 20 who is educationally subnormal and has anxiety and other medical problems. As it happens, he is living in board and lodgings with his brother, both of them having been in care most of their lives. The brother is exempt because he is only 17, but the 20-year-old has been refused exemption despite a letter from his doctor supporting his claim. Another young man of 20 is backward, suffers from chronic epilepsy, has lived in board and lodgings since he was 17 and has no parents, but the local officer has ruled that he is not exempt because board and lodging accommodation is not the only form of accommodation suitable for him. Another young man who is registered disabled, spent most of his childhood in care and has no parental home has been told that he could reasonably live in accommodation other than board and lodging. There are many other cases.

Then there is the exemption for young people who until very recently have been in the care of a local authority and have no parents, but there is an age limit of 19. What is an orphan over the age of 19 supposed to do? When these

rules were first proposed, the then Minister peddled the theory that all these young people would just go home to their mothers and fathers. Orphans do not have mothers and fathers, but it is still assumed that they will go "home".

A 17-year-old who has been living alone for two years comes from a broken home and has lost contact with his step-parents, but the local authority will not accept responsibility for him as a homeless person and he cannot register on the housing waiting list until he is 25, so he has eight years to be pushed around from pillar to post under the Government's regulations because he has been told that he is not exempt.

A young man whose father has remarried and moved away and whose mother lives in a bedsitter and another who is unwilling to produce evidence of violence against him have also been told that they are not exempt.

I could cite a whole series of cases of young people who have no possibility of going "home" because their parents are abroad or whatever but who are told that they must move on because the DHSS takes the view that they should somehow be able to return to a non-existent parental home.

Mr. Roger Gale (Thanet, North): Will the hon. Lady give way?

Mrs. Beckett: I would rather not, as the hon. Gentleman usually has nothing new to say.

Mr. Gale: Why are young people being told to move on when the non-householder is available? From experience in my constituency, my understanding is that if it is possible to find accommodation other than in an organisation which seeks to make a profit out of it, accommodation can be found in the person's own area at the non-householder allowance level, so the young person is not required to move on. With respect, unless the hon Lady can substantiate her claim, she should withdraw what she has said.

Mrs. Beckett: I knew that I should not have given away to the hon. Gentleman, because it is almost always a waste of time.

Mrs. Edwina Currie (Derbyshire, South) *rose*——

Mrs. Beckett: I am prepared to answer the hon. Lady; in her constituency and mine about 1,000 young people live in board and lodging accommodation because there is nothing else. In the hon. Gentleman's constituency, people may be more fortunately placed, but little rented accommodation is available in my constituency.

Mrs. Currie *rose*——

Mrs. Beckett: I am sorry, but I shall not give way. It is a short debate, I have a great deal to say, and I am not interested in allowing Conservative Members to score points on a serious matter.

In most places there is insufficient alternative accommodation available. Most young people do not choose to live in that accommodation. If the hon. Gentleman had ever seen it, he would know that nobody would want to live in it. The young people certainly do not choose to pay the exorbitant prices that have caused the DHSS to introduce these regulations, which in any case affect the claimant rather than the landlord. They live there because they have nowhere else to go. If the hon. Gentleman listened more to those people and the agencies that represent them, he would know that that was true.

The categories of exemption apply to those who are said to be in physical or moral danger. In my constituency, I came across a young woman who had to sign a formal legal statement that she had been sexually attacked by her father to qualify for exemption. Even if a person can justify that he or she has been in physical or moral danger, what on earth leads the DHSS to imagine that that will cease with the wave of a magic wand when that person reaches the age of 19?

There is the case of a young man who has twice been put in hospital by his stepfather and who, not unnaturally, is unwilling now at the age of 20 to return to the step-parental home. Yet under the regulations he is in danger of being forced to do so. It is unrealistic of the Department to imagine that the provision is workable.

There is the question whether people in employment or education are eligible for exemption. The local office has been asked to pronounce on whether full-time and part-time places on YTS and the community programme count. It seems that, if places are part-time, they do not. If a person can get only a part-time community programme place, they lose their accommodation and whatever hope they have of getting a job.

The category of people who are told that they are exempt includes refugees. When we last debated the issue, we asked the Minister whether he would make refugees an exempt category. When the Government wrote to the British Refugee Council saying that the children of refugees in Clapham were exempt because they were undergoing rehabilitation or resettlement, the local DHSS office, on the advice of the chief adjudication officer, sent letters to say that they were not exempt and that their benefit would be cut. There is a great deal of argument about how the exemption categories work now, and whether the definitions are adequate.

I suggest to the Minister that the present categories are not working well, and that some people should not fall outside them. At present there is no exemption, as there should be if the Minister is considering extending the list, for those who have lived away from the parental home for some years, and whose partner has died or left them. They are expected to return to the parental home. Under the regulations, separated people may be required to leave the area where their children live, although their access arrangements to those children depend on their being in the area. I have heard of a young woman who threatened to remove her child from foster care because if she were forced to leave the area she would no longer have access to the child. The stability of the arrangements for the care of that child are threatened. Many youngsters are simply estranged from their parents and have little possibility of returning home and many need the support that good board and lodging accommodation can give.

In my constituency, two caring people are trying to run accommodation in which young people with a variety of problems can live. Some are on probation, some are not, and some are on the fringes. Because it is not yet a properly defined hostel, those two people have been told that the youngsters must move on. The probation service says that it is reluctant to lift a probation order from a young person when it knows that by so doing it will put him or her out of an exemption category. That will cause the individual to move on from lodgings where perhaps he or she is receiving the sort of support that we would all wish such people to have.

[Mrs. Beckett]

The Minister must consider the position of those who have not yet had their appeals decided. All the young men who live in the house to which I have referred have been notified that their benefit will cease. They have all applied for exemption on a variety of grounds and not one of them has received a written decision on their exemption. They have merely been told that their benefit will no longer be supplied. They have submitted appeals against their non-written decisions and asked how long it will take for the appeals to be decided. They have been told that it will take until August at least for the appeals even to be heard. Where are they likely to be by August? How will they travel back if they want to participate in the appeal? No travel grant will be available to them. Travel grants are available only if the individual is moving to a defined place at a specified address or if he is returning to the parental home.

Mr. Frank Field: Perhaps my hon. Friend is being slightly gentle with the Government. Once a claimant is put on his bike and moved out of the area in which he is living, he will have no address. He will have nowhere to instruct the Department to send his appeal papers. This is an extremely important issue and if the Minister is prepared to respond immediately, perhaps my hon. Friend will allow him to intervene now so that he can deal with it and perhaps allay our fears by clearing it up.

Mrs. Beckett: If the Minister wishes to intervene, I shall be happy to allow him to do so immediately. If he feels that he cannot answer immediately, perhaps he will be able to take up the issue when he replies. I hope that he will tell us how the Government feel that they can give some sort of understanding to claimants that their appeals can properly be heard. I should like to know how they are to travel to a new place and how they will find accommodation. How will the Department send on their papers? How long will it take for the papers to reach them. If they go to a seaside area, it might take longer than two weeks for the papers to arrive. No one can judge to what benefit they will be entitled. Some of them might be judged to be of no fixed abode and not, therefore, entitled to any benefit.

In short, the regulations are a mess. We are faced with exemptions that do not work, claimants who do not know whether they are exempt or not, claimants who cannot appeal and claimants who are not exempt and should be. We are faced with a disaster from start to finish, and unfortunately the claimants are bearing the burden.

We hope to hear from the Minister how he proposes to extend the classes of exemptions. As the hon. Member for Dundee, East (Mr. Wilson) said, we shall be interested to know when that extension can take place. We want to hear about the categories in which other decisions are to be made—for example, the limits on which the money can be paid. I understand that the Prime Minister told us this afternoon that the limits that are allowed under the regulations are quite reasonable. I am not sure how she knows that, when the study that will tell us what they will be and how reasonable they are has barely been commissioned. That is the effect of what the Minister has told us.

I note that the Under-Secretary of State told one of my colleagues in a written answer the other day that it was "believed" that 60 per cent. of the residential homes that are affected by limits under the regulations will come within the limits that the Government have set. Presumably the other 40 per cent. are expected to lower their charges or to close down immediately. How can it be said that the charges, especially for nursing homes, are reasonable? Those who run the homes have been saying ever since the proposals were drawn up that they are not reasonable. We are not talking about property-owning organisations, although I recognise that there may be some such individuals. We are discussing voluntary organisations, charities and non-profit-making organisations, which say that their expenses cannot be met within the limits that the Department has chosen to set.

In any case, I do not see how the Government can argue that their limits for nursing homes are reasonable. Let us accept for a second that the Government are right about ordinary residential care homes, and that £110 to £170, depending on the category, is a reasonable charge for straightforward residential care. How on earth do the Government argue that for a mere £28·60 more, full nursing care can be provided in homes in the parallel category?

I can remind the Minister what that means in terms of the care provided. In the south Derbyshire health authority, certain guidelines are given to judge whether a place is a nursing home. There are 10 in all, of which some are whether a person is doubly incontinent for more than a week, whether there is a need for two staff to mobilise, dress, bathe and toilet the resident, whether the resident needs care at night as well as in the day time, or assistance with feeding, such as tube feeding, or has pressure sores, a catheter and so on. These categories of care decide whether a place can be considered a nursing home, but for all that extra care over and above ordinary residential facilities, the home receives the princely some of £28·60 a week. Even by the standards of this Government, it is hard to see how that can be judged to be an adequate sum.

The Minister knows that it has long been argued by many, including the Social Security Advisory Committee, that we are lacking one category of suitable provision, that for the elderly mentally infirm. The Minister has said that he might be able to extend the transitional period for old limits, and we might welcome that—it is better than going ahead with the previous provisions. However, I wonder how he can justify the charges at the intended levels, and how it can be justified that a physically handicapped person under the age of retirement who is in a home that charges above the level will have a year to find somewhere else to live? Have the Government told them that yet?

Already, the young people affected by the other regulation have had a week's notice because the Department has not got around to sending out the letters. When will it send out the letters to the severely handicapped telling that they must move out of their home to somewhere cheaper? I feel sorry for the civil servant who has to draft that letter. It will be a work of art to make it sound reasonable.

Fundamentally, as I have said before, these regulations are an absolute and utter mess. We want to know how the Minister will take the power to extend the length of the transitional period, and how it will be administered—I understand that it might be devolved to individual offices. Will there be a right of appeal against a decision? If it is a power of the Minister, it might mean that there is no such right.

These regulations have been in place for only a few weeks. Already the evidence is pouring in, and it must be pouring in to the Minister as well as to everybody else, of claimants who are severely disadvantaged by them. The Government have emergency procedures and powers. When they first embarked on the disastrous course of action that we are discussing tonight, they began by suspending the regulations then in force. Unless, perhaps not tonight but very soon, the Minister either suspends or withdraws these regulations, he, and many other people, will live to regret it, and rather too many people might not live at all.

11.3 pm

Mr. Humfrey Malins (Croydon, North-West): My right hon. Friend the Secretary of State for Social Services was right to come to the House in November and tell us of the escalation in costs of DHSS payments for board and lodging. It was a scandal that could not be faced indefinitely. He rightly pointed out the other scandal of the unscrupulous landlord. On that occasion, I reminded my right hon. Friend of a number of real problems such as the appalling squalor that in which many people in board and lodging accommodation live, with particular reference to overcrowding, which is appalling in this day and age. I asked whether the Government would act and he replied, "Yes, I agree."

In a later debate, I said that the fundamental problem is that there is no obligation on the DHSS or housing authorities to enforce any standards. There are powers, but no duties. I said that it was time that there were duties so that important customers might enjoy a decent standard of service. There are two sets of customers—taxpayers and homeless families. Since then, I have corresponded with my hon. Friend the Parliamentary Under-Secretary of State for the Environment. When asked whether the Government would introduce measures to ensure better accommodation, he replied in a letter:

"As you know, the Government is concerned to see restraint in central and local government expenditure, and there must be reservations about the cost implications of proposals which impose further duties indiscriminately, of applied national minimum standards and reduced local authorities' discretion in deciding when and how to act."

The Government are right to want to save money, but they should be prepared to spend some money to ensure proper conditions for the homeless. My hon. Friend continued to say that the Department was carrying out research which involved examination of the condition of housing in multiple occupation and local authorities' use of existing legislation. Local authorities have some powers, but they rarely use them. In 1982, there were 145,000 substandard houses in multiple occupation in Britain but, in the same year, only about 6,500 repair orders, notices or closing orders were served by local authorities. Less than 5 per cent. of substandard properties were attacked.

In June last year, the institution of Environmental Health Officers said:

"Few Local Authorities throughout the Country have a comprehensive approach or even a coherent policy."

It is a scandal that, in 1985, families are condemned to living in the most appalling squalor. The House is able to act by introducing measures that insist that accommodation, for which taxpayers pay through the DHSS, is decent.

I believe that Mr. Jim Marshall introduced a Bill in the previous Parliament which would have gone some way to help. That Bill fell because of the general election. There are powerful reasons why the Government should introduce a similar measure. There are two customers. We are looking after those who pay quite well, but in a civilised age, the recipients are more important. If we are to be a caring Government, we must not open ourselves to the charge that we lack compassion on this issue. If we fail to act soon, that charge will be difficult to resist.

11.8 pm

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I agree with the hon. Member for Croydon, North-West (Mr. Malins) that the Government should put much more emphasis on what is provided by landlords.

I and my colleagues have had much correspondence from people who are affected and from others who think that compassion has been missing from the Government's handling of this issue. We accept, however, that administration of the system is difficult.

What steps are being taken by the Department to assist local offices in the administration of the regulations? I know of a number of different examples of problems. Staff, in all good faith, have found differences of approach and interpretation. Some of the existing exemptions, in addition to those we are now considering, are difficult to interpret. They can be fiendishly complicated. Are additional staff and training being devoted to the problem?

I agree in principle with what the Minister said about the difficulties of the DHSS handing on details of individual claimants to other offices—whether housing or social work. We must be careful to ensure that confidentiality is preserved. But in cases where the DHSS considers people to be vulnerable, and who could be assisted by other offices, is the Minister saying that the DHSS offices should adopt a self-denying ordinance?

I wish to repeat a few points raised by my hon. Friend the Member for Leeds, West (Mr. Meadowcroft) following the statement last week. We have come across a few cases that we think are stupid. The first is when claimants are moved on because they have run out of the time limit—whether two, four or eight weeks—but have been offered jobs in the area. If the claimant can show a written offer of a job to begin in, say, 10 weeks, it is daft to move him out of the area. Secondly, if a local authority offers a claimant a house in 10 weeks, it is daft to move on an unemployed youngster.

Thirdly, there have been television programmes about youngsters with bail conditions. All three categories are suitable for potential exemption.

We welcome the Minister's announcement about foster children. We have been pressing the Government to consider that matter.

I am concerned about two cases that have been referred to the Minister from the Eastern Borders citizens advice bureau in a letter dated 21 June. They involve women aged 16 and 19 who were moved on, although they were permanent residents in the Berwickshire area generally. I should be grateful if the Government would study the circumstances surrounding those cases.

If I correctly understand information given to me by Shelter in Scotland, there is now a trend for landlords looking for new ways around the regulations to convert some of their board and lodging accommodation into bedsits. I hope that the Minister will bear that in mind

[Mr. Archy Kirkwood]

when carrying out his monitoring. If various conditions apply, they can charge more money which would be recoverable through housing benefit rather than board and lodging payments. If the Minister is carrying our monitoring, I hope that he will look carefully at the amounts of money that continue to be spent in that way. If bedsits are created out of board and lodging accommodation, we shall be no better off in many respects. Shelter in Scotland calculated that the taxpayer could eventually pay more for a situation that would be less satisfactory than the present one.

The hon. Member for Derby, South (Mrs. Beckett) raised an important point about appeals. There is a strong case to be made for exemption. I accept that it could be open to abuse, but if the monitoring arrangements are sensitive, they should be able to pick that up. When people who are subject to appeal have made appeals, in some cases they take two or three months to be heard. There is a good case to be made for giving urgent consideration to including them in the category of exemptions.

Many more detailed points could be made. There is much more evidence that I could adduce to the Minister, but other hon. Members wish to take part in the debate, so I shall conclude.

11.14 pm

Mr. Gerrard Neale (Cornwall, North): I do not think that my hon. Friend the Minister for Social Security needs any lessons on compassion from colleagues in the House. He has displayed a close interest in these problems ever since they came to light. The way in which he has handled the various complaints and comments from colleagues has shown that he is sensitive to the issues, aware of the problems, and perfectly capable of resolving them. I congratulate my hon. Friend particularly on the announcement of a factual examination relating to residential and nursing homes. That is a worthy thing to do. It will discover what is going on in that area of the board and lodging issue.

The hon. Member for Derby, South (Mrs. Beckett) introduced a whole range of considerations, some of which seemed to conflict with her own argument. One document that she may not have studied with close interest or analysis can be found in the Library. I recommend that she and any other colleague gets a copy of "Supplementary Benefit Local Limits on Board and Lodging Payments to be adopted by the Secretary of State for Social Services under the Supplementary Benefit (Requirements) Amendment and Temporary Provisions Regulations 1984". If any colleague on either side of the House wishes to see the wide diversity of payments for board and lodging made by various homes, whether residential care or nursing homes, it is in that document. Thus my colleagues can see just what a nonsense it has become and how much justification there is in what the Government seek to do.

Having listened to some of the comments by colleagues on both sides of the House, I have to say that they hardly describe the young people in my constituency who appear to be enjoying benefit under the provisions. Few seem to be incapable of working out exactly what they are entitled to, and the way in which they can make the best use of the benefits that are available to them. Opposition Members seem to chuckle in derision each time it is suggested that claimants are taking advantage of the current regulations. There is clear evidence——

Mrs. Beckett *rose——*

Mr. Neale: I shall not give way.

There is clear evidence in my area that there is widespread misuse and advantage taken. I concede that there is also far too prelevant a misuse of the regulations by landlords, too. But to suggest that it is only landlords, not young people, is wrong.

I hope that my hon. Friend will give careful consideration to all the points that have been made, but will not rush in to change things on a wide scale. It is far too soon to judge what the effect of the regulations is. My hon. Friend has already introduced a range of exemptions in the original regulations. They should be given time to work through. Already, as the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) mentioned, a problem about bedsits is developing. I ask my hon. Friend to alert benefit offices to this. It is not merely a question of one room, not having a cooker and then being provided with a cooker to make it a bedsit for one person. There is evidence in my constituency of one cooker being provided for eight or 10 people and enabling eight or 10 people to change to some form of housing benefit provision. The local offices have become aware of that, and I hope that my hon. Friend will make certain that others are alerted to that situation.

The most critical point I wish to put to my hon. Friend is this. This situation has occurred only in very recent times simply because the lid was taken off the level of charges which enabled a new market to be created. The Opposition seem to recognise this but do not seem to want to show any will to change. Taking the lid off has enabled young people to become nomadic and to tour the country without any obligation to find work.

Mr. Patrick Thompson (Norwich, North) *rose——*

Mr. Neale: I would like to give way, but I have refused the hon. Member for Derby, South and there is limited time.

We already have these nomadic groups moving around. A tremendous number of them have come to my constituency. Payments to these young people have been higher than benefits payable to other local people in similar difficulties. Similarly the benefits are untaxed. What is more important is that they are largely unchecked. How the money is spent is largely unaccountable. I put it to my hon. Friend, as I put it to him the other day, that they are paid without any attendant obligation to look for work.

In coastal areas like mine, it is almost as if it is a paid holiday for young people, even a sort of early retirement. The hon. Member for Derby, South and some of her hon. Friends disputed that and said that these people were looking for work. In Newquay, where we have 30 per cent. male unemployment, anyone who goes to the local benefit office will establish beyond doubt that the vast majority of these people have nothing to do with Newquay or Cornwall. They have come in from outside. In total 2,420 people are out of work. Only 502 of them are registered at the jobcentre. Only 20 per cent. are registered as looking for work. Opposition Members may say "Ah, yes, but they can go in on a self-service basis and check. They do not

have to register." If hon. Members check with the local benefits office, they will find that few of those unemployed people ever appear in a jobcentre, even on a casual basis, to look for work.

I am sure that the Minister works in close liaison with the Department of Employment and his colleagues there. I ask him to make absolutely certain that there is a clear obligation through jobcentres to provide information regarding job availability in the area to which people wish to go. Until we impose on these young people the responsibility of ascertaining the availability of jobs before they go, they will wander around and blame all and sundry because they cannot find work, and hon. Members will bleat that young people do not have a fair chance to find work. There is every facility available for them, if they use it, through the jobcentres.

My hon. Friend has commendably introduced these regulations and commendably announced that he is willing to consider the necessity for change. My plea is that he does not rush into any further change until the current exemptions have been given time to work. There is no doubt in my mind that certain agencies have done everything they possibly can to induce a sense of hype in order to frighten him — I know he is not easily frightened — into making changes the necessity for which at this stage is far from proven.

11.24 pm

Mr. Frank Field (Birkenhead): I am pleased to follow the hon. Member for Cornwall, North (Mr. Neale) because, perhaps to the surprise of my hon. Friends and Conservative Members, there are some issues on which I agree with him, but I draw different conclusions from the analysis he put forward.

I have often made the plea to the Government for a firmer link between the payment of benefit and the opportunities, such as they are, for work. When Conservative Members make that same point, a point clearly set out in the Beveridge report, it would be good if they not only made it from the Benches but joined us in the Division Lobby to try to concentrate the Government's mind on the issue. Do not let us have division on this point tonight. Most of us in the Chamber want to see many more jobs. Even with the current level of unemployment there are still large numbers of people who get jobs at any one time. There is a need to link the payment of benefit to the jobs that are available. The move that has gone on for 10 years or more of pushing the work to the jobcentres, and of the jobcentres not having links with the benefit offices, is a retrograde step both for taxpayers and, more important, for those who are looking for work. There was a combined service but it has been broken up.

Surely the hon. Member for Cornwall, North would agree that there is all the difference in the world between how the regulations should apply in seaside towns, and how they should apply in constituencies like mine, which is Birkenhead. It may be the view of Conservative Members that we are so vindictive that in periods of high unemployment we do not want people who do not have jobs to move to seaside towns to draw benefit that they previously would have been able to draw in their own towns. I can understand people taking that stand but it is not one that I share. Much as I love my own area of Birkenhead it is not an area to which people go to have a pleasant time at the seaside when they do not have work. There is that fundamental difference. That difference is not made clear in the regulations. So I am in some agreement with the analysis that has been put forward by the hon. Member for Cornwall, North.

Mr. Neale: Will the hon. Gentleman accept that great frustration is caused in a place such as Newquay because jobs exist there, but these young people show no evidence of wanting to take them? If they took the work for which some of them have been recommended, there would be less frustration.

Mr. Field: There would be less frustration if there was a link between the payment of benefit and the jobs available. What the hon. Gentleman did not do tonight was make the error that he made when he spoke previously, when he rather welcomed the regulations because he said that people were coming to his area and taking jobs from local people. He cannot claim that people are flooding in to take jobs, so depriving local people of the work, if at the same time he is claiming that these people are not prepared to work. He did not make that inconsistent stand tonight although it is on the record on previous occasions.

Mrs. Currie *rose*——

Mr. Field: Large numbers of hon. Members want to speak and I wish to make only a few points.

My other introductory point is to appeal to the Minister to grab hold of the lifeline that has been thrown to him by the hon. Member for Croydon, North-West (Mr. Malins). The Opposition are putting clearly on the record that large numbers of landlords exploit the position and rip off the welfare state—to use a crude phrase. We are anxious for that to end, although we want measures aimed at the landlords directly and not aimed at the landlords through individual claimants. If we are to go down the path that the Government have begun, it is important that resources, manpower and money are used for a proper system of checks on the board and lodging arrangements that exist in various parts of the country. Not only would that create an extra few jobs, but in the long run it would give taxpayers a better deal. Above all, it would give claimants who have to use these places a much better standard of living. Those are the introductory points I want to make, but I have three questions to put to the Minister. First, could he tell us more about how he will exercise the discretion he has been talking about this evening? Is he going to listen to these debates? What happens when he has listened to them, and when will we know when he has made a new decision about the extension of exempted categories?

Secondly, when the Government responded to one of the advisory committee reports in March 1985, Cmnd. 9467, they talked about the uprating limits, and I wish to quote one sentence in that report. The Government said:

"The Government will make a further statement on the arrangements for reviewing limits when it announces the uprating of social security benefits in June."

What happened to that key paragraph in that document? Was that yet another part of the Government's programme that got lost on the way to the printers? Presumably we are to have a statement on those upratings before the end of July.

My third question has been touched on much more eloquently by my hon. Friend the Member for Derby, South (Mrs. Beckett). How will the rights of appeal of claimants be operated under this measure? If people are moved within two, four or eight weeks in a particular area,

[Mr. Field]

how can we ensure that those claimants are allowed to make effective their rights of appeal against what we regard as a very bad measure indeed?

11.32 pm

Mr. Peter Griffiths (Portsmouth, North): My hon. Friend may have been disappointed in that, when he came before the House with amendments to the regulations, which eased their operation and provided for a more generous interpretation of the rules, he did not receive a more generous response from both sides of the House. We ought to welcome what he has had to say. However, I fear that in discussing these matters the terminology that is sometimes used is unfortunate. I have had the pleasure of listening to the hon. Member for Birkenhead (Mr. Field) ever since he spoke at a meeting of Conservative party candidates on the subject of social security. I must make it clear that he was not a Conservative candidate. He used the word vindictive and suggested it was vindictive of the Government to say that it was improper for young people to come to a seaside town, such as that which I have the pleasure to represent, when there was little prospect of obtaining work. I would not use the word vindictive. I think it is commonsense.

Mr. Frank Field: I do not want to intervene too much, but I was invited to address that meeting as a lobbyist, and I happily did so.

Mr. Griffiths: I am happy to confirm that the hon. Gentleman was certainly not one of the audience. The tirade from the hon. Member for Derby, South (Mrs. Beckett) was not really a response to the amendments tonight but to the original regulations. My feeling is that while we may well disagree on the original regulations, we welcome these amendments. I agree with her on one point. I am quite sure that my hon. Friend will find that the payments that the DHSS makes available to residents in nursing homes will prove to be grossly inadequate following any kind of investigation he carries out. I fear that in nursing homes where there is a mix of private patients and those whose fees are paid by the DHSS, there is a great danger that if the patients whose fees are paid from public funds have their fees restricted it may well be that those who are paying out of their meagre savings will have to pay more, so that, when those savings are exhausted they in turn will become dependent on public support.

I rose to say that I very much welcome these amendments because they make it easier for us to support the original regulations. They also show that there is a genuine willingness on the part of the Government to accept that, once the principle is estabished, the way to look for a job is not to move into a seaside hotel but to move to places where there is employment——

Mr. Dobson: Where?

Mr. Griffiths: Victoria street, not more than half a mile from here, where there have been thousands of jobs ever since this Government came into office. The hon. Gentleman might care to go along tomorrow morning to have a look.

Young people should also seek more traditional forms of accommodation in hostels, with families or with friends. Given that we support the regulations, we should also support the amendments.

The Minister said that, given our welcome to and acceptance of refugees, we should not make a distinction between those under the age of 26 and their parents or seek to separate such groups. The same applies to the homeless in general. Families do become homeless, and it would be quite wrong for a different restriction to apply to the younger members of such families. I therefore welcome that part of the regulations.

The Minister said that he is willing to consider further categories of exemption. He made it clear that he was not talking about individual cases that would be dealt with and exempted separately. How many individual cases of a similar nature must be drawn to my hon. Friend's attention before he recognises that a category exists?

The situation is complicated because many young people go into board and lodging accommodation for all sorts of reasons. It may well be that from time to time, through individual cases from different parts of the country, we can show that there are grounds for bringing areas within a general exemption.

Mr. Richard Holt (Langbaurgh): Does my hon. Friend agree that the Government should consider exemption when young people have been resident in a community all their lives, as is the case in Cleveland in my constituency? For arbitrary reasons, that is designated as a coastal resort area, yet under the regulations young people are now being forced to move away from the only place that they have known as home, simply because Saltburn at one time and Redcar at another happened to be seaside resorts.

Mr. Griffiths: There may well be categories of young people in board and lodging accommodation who have been associated with an area over a long period either because they do not have a home elsewhere to which they could return or because they have an opportunity to take employment in the foreseeable future. They ought to be within exempted categories. If a number of such cases are forthcoming from hon. Members, I trust that the Minister will seek to make them an exempted category.

11.40 pm

Mr. Roland Boyes (Houghton and Washington): In the short time available, I want to put a series of questions to the Minister for Social Security. I begin, however, with a quotation that I used when I asked leave to move the Adjournment of the House under Standing Order No. 10:

"'It may be that the Government reacted too quickly and without proper research to deal with a situation which happens to fit their own particular prejudices.'"—[*Official Report*, 25 June 1985; Vol. 81, c. 792.]

The Minister's speech strongly underlined the fact that the Government are introducing new techniques into government. They will introduce a measure, see how many social problems it creates and then try to solve each social problem. Week after week there will be new exemptions. That is a ludicrous way to govern.

The Minister for Social Security said last week that the hon. Member for Houghton and Washington was not a bad bloke. As the story goes, the Minister is not a bad bloke. I am sure that his political masters have forced him to introduce this most wicked and evil measure.

The Minister ended his speech by saying that much of this accommodation is of a very low standard. That was the subject of a debate that I initiated in December 1984. We examined the lousy conditions in many of these hostels. Why are the Government not courageous enough

to deal with those who are ripping off the homeless? Why do they not demand minimum standards in the hostels? Why do they not relate price to quality? Why do they not look after the weakest and the most vulnerable group, the unemployed and the homeless who have nowhere else to go because conditions in their homes make it impossible for them to return?

The Minister also said that prices are rising quickly. The Child Poverty Action Group has shown that the percentage increase in the average charge for board and lodging in 1984 was the lowest for five years. Why did the Minister ignore the advice of the Social Security Advisory Committee which said on page 41 of its report that the root problem was not supplementary benefit but housing? By introducing exemption clauses, the Minister still appears to be dealing with it as a supplementary benefit problem, not as a housing problem. How can the Minister expect to solve this very serious problem without encouraging his colleagues in other Departments to provide specialised types of housing for the young homeless?

The Minister said that the Department may have to consider time limits. Has he considered providing exemption for a group of youngsters who may take the advice of the hon. Member for Portsmouth, North (Mr. Griffiths) and apply for a job? Mention was made of jobs being available, but, I doubt that. One can stay for only two weeks in some parts of the north of England. What chance is there of getting a job if one has to say that by the time a company has replied to one's application one may no longer be at the same address? Will the Minister consider an exemption for those who have applied for jobs until they know whether their applications have been successful?

Can the Minister say how much research will be undertaken into the board and lodging problem? He has implied that legislation will be introduced on a piecemeal basis. I should like the Government to show courage and say that they were wrong, that the legislation is flawed and that it must be re-examined. Every Opposition speaker has said that the jungle of board and lodging payments creates serious problems. We want to see something done about that. I am sure that the Opposition Front Bench would be pleased to co-operate in a study of some of the aspects of the problem.

Tackling the problem in the way that the Minister has done does not help the Opposition, the Government or the people involved. It is a terrible way of legislating. The Minister might dwell on the fact that one of the problems is that some of the youngsters will not be able to vote unless they are on the electoral register. I shall advise the 100,000 homeless youngsters that one third of them should register in the constituency of Braintree, one third in the constituency of Finchley and one third in the constituency of Wanstead and Woodford, because one of the vindictive aspects of this—it has been said that it is not vindictive—is that the youngsters most affected by the legislation have no mechanism whereby they can vote against the Government who introduced the legislation, unless they register in the constituencies that I have mentioned, in the hope that those right hon. and hon. Members suffer the ultimate punishment.

I have said over and over again that this is an atrocious, terrible, vindictive and wicked piece of legislation. It solves none of the problems. I am sure that I speak for all Opposition right hon. and hon. Members when I say, let us be rid of the legislation; let us start all over again; let us tackle the problems properly; and let us see whether the Minister has the courage to say to the Secretary of State for Social Services that they should get rid of it and introduce a useful measure that has meaning.

11.46 pm

Mr. Newton: In the seven or so remaining minutes of the debate I cannot attempt to comment upon all the points that have been mentioned on both sides of the House about the categories of people that we should consider in further changes to the exemption categories. I undertake to study carefully what has been said during the debate.

I wish to make two points about the exemption categories. The first is in response to my hon. Friend the Member for Cornwall, North (Mr. Neale). The proposals that I made last Tuesday and this evening in the regulations, or in the powers that the regulations give the Government, are limited extensions directed towards cases that I am sure will be recognised on both sides of the House as clearly requiring exemption, rather than the major moves that he feared and Opposition Members have sought. We believe that the signs so far show that the proposed exemption categories cover most of those people who need to be included.

My worry about the examples that the hon. Member for Derby, South (Mrs. Beckett) gave, most of which I recognised as drawn from documents which have been widely circulated by two or three groups of various kinds, is that the Department has not been given sufficient detail to follow up the cases, and it is far from clear whether they have all been fully and properly discussed with local DHSS officers. I hesitate to say that they have not, because I have no basis for doing so. I wish to re-emphasise the advice that I gave last Tuesday—anyone who is worried about cases should ensure that the facts are drawn fully to the attention of the local DHSS office. We shall do our best, as we have by reinforcing our guidance to them, to ensure that all those facts are considered properly.

If genuine points emerge from that examination and the cases drawn to our attention in this debate, in correspondence from Members or in other ways, we are prepared to look openly and honestly at them and to move quickly—as I have demonstrated this evening—towards introducing small extensions to the exemption categories.

My response to the hon. Member for Houghton and Washington (Mr. Boyes) is that I suspect that the reason why the charges rose less fast in 1984 than previously is that the Government imposed a freeze on the limits during 1984. Indeed, I would hope that had some effect.

The hon. Member for Derby, South made some play of her view that there was no, or insufficient, evidence for the policies.

Mrs. Beckett: It is the view of the Social Security Advisory Committee.

Mr. Newton: Regardless of whether it is the view of the Social Security Advisory Committee, from what the hon. Lady said I would wish to attribute it to her.

In view of the observations that I understand were made by the Leader of the Opposition earlier today on nursing and residential care homes, I want to draw attention to what the Opposition spokesman on social security said when my hon. Friend made a statement on these same matters last November. The hon. Member for Oldham, West (Mr. Meacher) referred to the fact that

"private developers cashed in on a building boom which had nothing to do with providing care and attention for those elderly

[Mr. Newton]

people in greatest need, and everything to do with raking off huge profits".—[*Official Report*, 29 November 1984; Vol. 68, c. 1099.]

When we seek to check that process, however, we are told that we are being uncaring about the needs of the elderly and the disabled.

Mr. Dobson: The Minister is blocking the charitable ones as well.

The hon. Member for Oldham, West want on to talk about private operators—I paraphrase what he said—using every fiddle in the book to push up charges, and said that there had been nothing to stop them. When we take action in these matters, we are told that this is in some way uncaring and totally against the interests of —*[Interruption.]* It is a pity that the hon. Member for Oldham, West is not present. I want to know the policy of the Opposition on these matters. This has been one of the worst examples of trying to have one's cake and eat it which I have observed for a very long time.

Mrs. Beckett: The Minister knows well that we are in favour of proper control, whether on ordinary board and lodging or on care, to ensure that there is value for money, that people are not exploited and that the available money is properly used. That is not what the Minister is doing. He is penalising claimants, not those who exploit them.

Mr. Newton: Although I had hoped to keep the temperature down, I am afraid that the debate has now become a classic social security debate in which the Opposition state that they are all in favour of proper control, but the one thing that they never tell the House is what their policy would be. All we know is that every time any real attempt is made to curb abuse and to achieve proper balance in the social security system, the Opposition denounce this as an uncaring attack on the poor and the needy. It is as big a nonsense tonight as on all the other occasions which we have witnessed in the last few weeks.

I therefore ask the House to approve the regulations.

Question put and agreed to.

Resolved,

That the draft Supplementary Benefit (Requirements) Amendment Regulations 1985, which were laid before this House on 26th June, be approved.

EDUCATION AND TRAINING (WALES)

Ordered,

That during the proceedings on the matter of Education and Training in Wales, the Welsh Grand Committee have leave to sit twice on the first day on which it shall meet; and that, notwithstanding the provisions of Standing Order No. 67 (Meetings of standing committees), the second such sitting shall not commence before Four o'clock nor continue after the Committee has considered the matter for two hours at that sitting. —*[Mr. Peter Lloyd.]*

Toxic Waste (Gwent)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Peter Lloyd.]*

11.53 pm

Mr. Leo Abse (Torfaen): Yet again, I plead on behalf of my anxious and discomfited constituents for a public inquiry into the disposal of toxic waste in Gwent. It is a demand that has come repeatedly from Torfaen council and Gwent county council — which have been discourteously refused an interview with the Secretary of State for Wales—and from many environmental groups in the constituencies.

The concern expressed is not confined to my constituency. Although the Minister of State and the hon. Member for Newport, West (Mr. Robinson) have received representations and invitations to meetings from their constituents, it is not to their credit that their only comments have been to support the Secretary of State for Wales in his characteristically insensitive and stubborn refusal to grant the public inquiry at which the frustrations, the fears and the facts could be formally ventilated.

I advise the Minister of State to take care. The Brecon candidate is on the point of discovering that he will be found guilty by association as one who is working for the unloved Secretary of State for Wales. If the Minister of State obsequiously persists in his condonation of the refusal by the Secretary of State, he will find that those of his constituents who are lamentably affected by the activities of ReChem International will be equally unforgiving. I understand that Torfaen is requesting the Minister's attendance—it is his council as well as mine —to explain his attitude. I hope that he will display more tact and understanding than his boss and will make haste to attend.

The problems stem from the profound mistrust that my constituents have for ReChem International and its claims. It is not surprising that the firm is mistrusted. It came into my constituency by trickery. Backed by the huge resources of the British parent company—The British Traction Company—ReChem must have known, if it had a scintilla of the technical accomplishments that it claims, that inevitably noxious fumes, smoke and smells would regurgitate, as they now do, out of the stack, sometimes by day but usually by night. Nevertheless, the company gave assurances to the small local authorities then in existence, which were hungry for employment, that there would be no nuisance and no impingement upon a desirable residential area and nearby valuable farming and pastoral land. It duped the local authorities.

From the company's first days of arrival, there have been never-ending and justifiable complaints. Each surgery that I hold in my constituency brings fresh complaints. At my last surgery, I was seen by a lady who went into her garden in March, when suddenly a plume of smoke came from the factory and blew into her face. Her eyes immediately started to burn and, after notifying the factory straight away, her condition deteriorated and she was admitted to St. Woolos hospital. Now she has been told that she is likely to lose the sight of one eye. I do not know whether the plume of smoke acted as the catalyst or the cause of her condition, but I am still awaiting ReChem's comments on the matter. I hope that the Secretary of State for Wales who, parrot-like, always defends this company by saying that there is no evidence

to justify the holding of any public inquiry, will give the assurance that he will make immediate inquiries into this lamentable incident.

The precipitating causes of my requesting this debate are threefold. First, there is the discovery by the BBC's investigating team of the deadly poison PCB in a capacitator on the Tirpentwys site used regularly by ReChem for dumping. Secondly, there is the evidence which has become available in recent days from the Government Chemist which reveals that the ReChem claim—that it does not emit the dangerous chemicals of dioxins or furans—is false and that the incinerator ash taken to the landfilling site includes measurable quantities of both deadly chemicals in the most dangerous isomer group, the Tetra group. Thirdly, the contents of the June reports of the hazardous waste inspectorate have revealed the appalling manner in which hazardous waste is nationally managed and the consequences that flow from this in Gwent.

On each of those three points I put these questions to the Under-Secretary of State: why does the Secretary of State, in his desperate efforts always to protect ReChem, so strenuously seek to suggest that the discovered capacitator did not come from ReChem? That point was disbelieved by my council, my constituents and me. Is this not the far more likely hypothesis—that the system of control at ReChem allowed the capacitator to be brought in to the works and to pass out without having been dealt with at all, or after having been inadequately dealt with by incineration? What interest always prompts the Secretary of State to find excuses for ReChem?

Why, while taunting the Torfaen council that it has shown insufficient cause to hold a public inquiry, does the Secretary of State thwart the council's efforts to have thorough environmental investigations by persistently refusing to assist the funding of the needed investigation by refusing to disregard the extra expenditure of the target expenditure permitted by this Government to Torfaen council?

It was a shameless shifting of responsibility to Torfaen ratepayers for the Welsh Office to write to the council on 11 February this year saying that the Secretary of State for Wales

"does not consider that, in this instance, a case exists for a disregard. He is aware of the background to your application and appreciates that the proposed expenditure could well make a valuable contribution to a wider understanding of emissions in the area. He strongly believes, however, that if your Council feels that the monitoring is essential to meet its public health responsibilities, it must absorb the additional spending involved within its target level of expenditure."

Why should the ratepayers of Torfaen be required to pay to investigate the havoc wrought by ReChem because that company, avaricious for profits, is allowed by the Government to import for incineration thousands of tons of hazardous waste through Newport from Holland and Ireland?

Perhaps my most important question to the Minister is this. Last week the Government Chemist certified that the incinerated ash at ReChem set to the Government Chemist by my local authority showed the presence in it of deadly dioxins and furans in the most deadly isomer group. What action are the Government taking in the light of that new evidence? The matter cannot be delayed. Given the well publicised and acknowledged deficiency in ReChem's flue gas cleaning system, from this week on my constituents can look at the emissions coming from ReChem's chimneys and believe as reasonable men and women that deadly dioxins and furans may be falling on them and their children. What reassurance can the Minister give my constituents today?

What is the Government's reaction to the ominous statement released yesterday by the Welsh water authority that ReChem is discharging PCBs into the sewers? The statement makes it clear that those fearsome chemicals have now entered the Ponthir treatment works and the water authority feels compelled to extend investigations to cover all sewerage works in its south-east division. That bare and taciturn statement will of itself send a chill throughout Gwent. Will the Minister now explain the significance of that statement? Can he genuinely and with conviction put a reassuring gloss on it to relieve the anxieties that are now bound to arise?

Does the Minister accept the validity of the recent request by the industrial air pollution inspectorate to Torfaen council saying that the inspectorate must be consulted on virtually all types of proposed new development within a 1¼ mile radius of ReChem? If the Secretary of State for Wales is so confident that our complaints are groundless, is the Minister prepared to tell the council that that request should be ignored? If he supports the request, why does he do so? Does he realise that if he supports the inspectorate we are justified in describing ReChem as a curse upon our valley, sterilising an area of prime industrial and residential land, engendering doubt and unease among all the industries and inhabitants in the area, inevitably depressing house prices and thus robbing the many proud home owners in Panteg? Is it any wonder that all of us in Torfaen want ReChem to quit our valley?

My next question concerns the tip at Tirpentwys. All the problems there arise primarily because ReChem and its associates disgorge their waste there. Not surprisingly, there is deep feeling in the area that in the battle of priorities for the limited funds at the council's disposal as a result of the Government's squeeze serious security and supervisory deficiencies have arisen. I am sure that the council will now remedy that, whatever the cost, and it must be done speedily. But why should my ratepayers be called upon to pay for this absolutely necessary work and supervision? Why should they have to pay to contain the industrial waste, not only of areas outside my constituency in Britain, but of the Dutch and the Irish, to swell ReChem's profits? It is high time that the Government banned the importation of toxic waste, even as they now intend to ban the importation of asbestos waste.

My final question relates to the hazardous waste inspectorate's recent revelation that, although a high proportion of the 5,000 tonnes imported into Britain comes through Newport, the contracting importer—presumably ReChem — has failed to appoint a port agent and, therefore, defeats the main purpose of the Control of Pollution Regulations. What is the Secretary of State doing to remedy what the inspectorate last month called "this unsatisfactory situation"?

I could ask many more questions, but I am aware that the hon. Member for Romsey and Waterside (Mr. Colvin) wishes to speak, and I am deeply anxious to have replies, at least to my third and fourth questions.

I hope that the Minister realises that in 1972 the Royal Commission on environmental pollution said that the public should be entitled to

[Mr. Leo Abse]

"the fullest possible amount of information on all forms of environmental pollution, with the onus placed on the polluter to substantiate claims for exceptional treatment."

The Royal Commission made the overriding recommendation that

"a guiding principle behind all legislative and administrative controls relating to environmental pollution should be a presumption in favour of unrestricted access for the public to information which the pollution control authorities obtain or receive by virtue of their statutory powers, with provision for secrecy only in those circumstances where a genuine case for it can be substantiated."

Those principles, which the Government are supposed to have accepted, can be implemented only if the Government reconsider their position and permit us to have a proper and exhaustive public inquiry. I am sure that, when all the evidence has been tested, the result will reveal overwhelmingly the need for ReChem to be moved from my constituency.

12.6 am

Mr. Michael Colvin (Romsey and Waterside): I thank the hon. Member for Torfaen (Mr. Abse) and the Minister for giving me a minute to make a short intervention.

I have listened with interest to what the hon. Gentleman said, and I support him because my constituency is now the only other one with a ReChem plant. I thank his constituents in Gwent for their advice and help regarding public anxiety about ReChem's operations. I congratulate the Government, local authorities, the various inspectorates and the company on the way in which they have responded to public anxiety about hazardous waste disposal.

ReChem International's plants at Hythe, which does not at present dispose of PCBs, and, no doubt, in Gwent must now be the most monitored and inspected plants in the country. I have one question, which corresponds with one of the hon. Gentleman's questions. It is all very well for the company's operations to be safe and monitored, but they must be seen by the public to be safe. Therefore, I ask the Government tc give the green light to the Environmental Pollution Information Bill, which my hon. Friend the Member for Carshalton and Wallington (Mr. Forman) introduced last week. It would implement paragraph 21 of the Government's response to the 10th report of the Royal Commission on environmental pollution, and would give our citizens the right to see information on monitoring and hazardous assessments, without which fears about ReChem are bound to persist.

Most of us fear the unknown. Freedom of information is what we require.

12.10 am

The Parliamentary Under-Secretary of State for Wales (Mr. Wyn Roberts): The hon. Member for Torfaen (Mr. Abse) has expressed his concern and reflected local anxiety about the alleged effect on human health of the processes undertaken by the ReChem plant at Pontypool. My right hon. Friend the Secretary of State, my hon. Friend the Minister of State, Welsh Office, my hon. Friend the Member for Newport, West (Mr. Robinson) and I have also taken these anxieties extremely seriously. I can assure the hon. Gentleman and his constituents that we shall not shrink from taking whatever action is open to us if the evidence suggests that there is a threat to the health of the local population. That has been our position from the outset and so it remains.

Our clear duty, and one which we have pursued vigorously from the start, is to obtain and examine evidence that might indicate whether such a threat exists. A considerable effort has been put into that by the Department and so far it has not confirmed the allegations.

The hon. Member for Torfaen referred to a lady who is suffering from some eye trouble. I am aware of that case through the industrial air pollution inspectorate, which examined the circumstances. My officials will be raising the matter with Gwent district health authority. The hon. Gentleman has called for a public inquiry and so have Gwent county council and Torfaen council. I believe that a petition is being prepared. We have said repeatedly in answer to representations that no link has been found between the activity at the ReChem incinerator and animal or human health in the area.

The considerable amount of work that we have done, the inquiry of Professor Lenihan in Scotland and other work that has been commissioned privately all points the same way. There is nothing unusual about the general health of the people in the vicinity of the ReChem plant. Animal morbidity appears to be related to well recognised causes and the levels of PCBs, dioxins and other possible environmental contaminants are not different significantly from those that might be found elsewhere.

Responsibility for monitoring the operation of the ReChem incinerator plant rests primarily with Her Majesty's industrial air pollution inspectorate. If the ReChem company were to fail to meet criteria which the inspectorate has set, or may set in future, or if the inspectorate considered that there was a danger to public health, it has the power to close the incinerator. The inspectorate has assured me that the plant has met the best practicable means standards that have been set. The plant is 10 years old and the technology of incineration has advanced. There have been considerable improvements by way of modifications over the years of the plant's operation. I look to the inspectorate to decide when further improvement or replacement is necessary and to require that work to be carried out within a reasonable time scale.

We have no evidence that would justify holding an inquiry, but we have said throughout that despite the absence of any evidence we are continuing to keep an open mind on the subject and will continue to consider carefully any real evidence that might suggest a need for further work in the vicinity of the plant. If we consider that such work is justified, we shall ensure that it is carried out. If we judge that there is a need for an inquiry, that, too, will be undertaken.

The hon. Member for Torfaen mentioned the report of the hazardous waste inspectorate, which was published last month. The report refers to the pressures focused on the plant at Pontypool and the calls for an inquiry. The report acknowledges that high temperature incineration is the best practicable environmental option for the disposal of a significant proportion of the more hazardous wastes arising in the United Kingdom. We must not underestimate the importance of the plant. Without it, wastes in the United Kingdom would not be properly disposed of. I understand that imports amounted to 1,500 tonnes in 1984.

The hazardous waste inspectorate has clearly stated that further closures of merchant incinerators, as they are

called, will result in the best practicable environmental option for disposal being unavailable for some of the more hazardous wastes. The hon. Gentleman has read the report, and I am sure that he has seen that section. The inspectorate finds the results of the medical and statistical work undertaken to be reassuring and in its view it reinforces the repeated statements by the regulatory authority and the plant operator that the facilities are operated safely and efficiently.

We accept that more information is needed on dioxins in the environment, as they are known to be a by-product of many forms of low temperature combustion. We are taking steps to find out more about them. We know that dioxins exist in the environment nationwide. We accept that there is a need for the subject to be researched further, but if the presence of dioxin is a problem, it is national and not local. We have discussed the practicalities of further research with other Government colleagues, and a contract has now been let to determine the level of polychlorinated dibenzo dioxins, and polychlorinated dibenzofurans in the soils, with the aim of adding to our knowledge of what is normal, what is safe and what might be a cause for concern.

I take note of the points made by my hon. Friend the Member for Romsey and Waterside (Mr. Colvin), but the industrial air pollution inspectorate gives as much information to the public as is practicable within the restrictions of confidentiality imposed by statute. The inspectorate also encourages individual works to be as open as possible with the release of atmospheric emission data. The inspectorate publishes reports by the chief inspector and by individual district inspectors, and these reports are available to the public. The hazardous waste inspectorate operates on similar lines, as my hon. Friend knows from his recent contacts with that body.

The hon. Member for Torfaen referred to the BBC "Newsnight" programme. Following media reports about the finding of a partially burnt capacitor at the Tirpentwys landfill site and the allegation that it had come from ReChem, we have made inquiries, and my right hon. Friend the Secretary of State has written to the hon. Member recently about this aspect. In his letter, my right hon. Friend explained that, as the capacitor taken for analysis had not undergone complete thermal degradation, it was not surprising that it contained a significant quantity of PCBs. Although it was alleged that the partially burnt capacitor had come from ReChem, this has not been substantiated.

The hon. Gentleman does not attach much weight to that point, but my information is that no PCBs were found in any of the samples taken by the "Newsnight" team, other than the one partially burnt capacitor winding featured in the programme. Others had been completely incinerated and appeared on analysis to be typical of what might be expected in the incinerator ash. The level of PCB contamination in the exception, and its general condition when found, suggest that it has been drained before being dumped, and I am told that that is not what normally happens at ReChem. Therefore, it is unlikely to have come from that company.

The hon. Gentleman has said that the local authority has recently begun sampling chemical wastes from the plant, which is waste deposited at Tirpentwys. I understand that the PCB content has been much lower than might be expected in ordinary domestic refuse, but the hon. Gentleman suggests otherwise. I shall look into what he said about the local authority's monitoring. The Welsh water authority has carried out tests on the leachates from the site, and no PCBs have been found within its limits of detection. The hon. Gentleman mentioned that, and I understand that there is a range of figures of PCB contamination of effluents from ReChem, the lower end of which is no more than one would expect to find as a background level in water and the higher of which is, on the face of it, worthy of further investigation although it is within the levels found in polluted lake waters. Again, we shall pursue the matter.

The "Newsnight" team's finding has highlighted the conditions at the Tirpentwys landfill site and the serious security and supervisory deficiencies there which left it open to casual and unauthorised tipping. The hazardous waste inspectorate has visited the site four times recently and it has been in correspondence with Torfaen borough council about its condition. The council has given assurances that site security will be improved but, as recently as last week, fly tipping and unauthorised entry were still taking place. This is very serious but, regrettably, it is not untypical of waste disposal sites. The hazardous waste inspectorate's first report makes that only too clear.

There is no doubt that the proper handling of special/hazardous wastes calls for considerable expertise. Professional knowledge and experience are extremely important and are becoming more so. Torfaen borough council has a large responsibility in relation to the complex subject of hazardous waste disposal. It has responsibilities as the licensing authority for the incinerator plant and the Tirpentwys landfill site and it is responsible for seeing that its licensing conditions are met.

The council has asked for extra resources to undertake a programme of environmental monitoring, but it is part of a local authority's responsibility to undertake whatever monitoring it judges to be necessary. I understand that a meeting was recently convened by the industrial air pollution inspectorate with Torfaen borough council and ReChem to discuss the formation and operation of a local liaison committee as quickly as possible. I hope that this committee will soon be meeting and that, fully supported by community interests, it will be a useful forum for a rational interchange of information.

There are few waste disposal sites in Wales which are formally designated as suitable for hazardous wastes. Tirpentwys is one of them in a limited way, and it is imperative that those few should be operated to proper and acceptable standards. I have emphasised that to waste disposal authorities in Wales and I am anxious that the should perform all aspects of waste management properly.

The Question having been proposed after Ten o'clock on Tuesday evening, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at twenty three minutes past Twelve o'clock.

House of Commons

Wednesday 3 July 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

CAMBRIDGE CITY COUNCIL BILL
Considered; to be read the Third time.

SHETLAND ISLANDS COUNCIL (OMNIBUS SERVICES) ORDER CONFIRMATION BILL.
Considered; to be read the Third time.

Oral Answers to Questions

TRADE AND INDUSTRY

Postal Delays

1. **Sir John Biggs-Davison** asked the Secretary of State for Trade and Industry if, when he next meets the chairman of the Post Office, he will raise with him the matter of delays to Her Majesty's mails and, in particular, the failure to honour the first-class post.

The Secretary of State for Trade and Industry (Mr. Norman Tebbit): Yes, Sir. I normally discuss at our meetings the plans of the Post Office to provide a more efficient and economical service.

Sir John Biggs-Davison: Is it not a gamble whether a first-class or a second-class letter will arrive first? Is my hon. Friend aware that a first-class letter posted from the House of Commons reached me in London W8 three days later?

Mr. Tebbit: Of course, there are criticisms to be made of the service that is offered by the Post Office. It has been through some difficult times, particularly with industrial relations. However, the recent agreements that have been reached between the Post Office and the principal union hold out a very good prospect that the service will be improved. I hope that in future it will be far less of a gamble and a far more reliable service.

Mr. Robert Hughes: While everybody wishes the Post Office to achieve maximum efficiency, especially by the use of modern methods and full post codes, is not the Post Office saying that unless the post code is used in full, first-class letters will be treated as second-class letters? Does the Secretary of State approve of that? Will he take steps to ensure that it does not happen?

Mr. Tebbit: Mr. Speaker, I did not fully follow the hon. Gentleman's question. I wonder whether he could be permitted to repeat it.

Mr. Speaker: Briefly.

Mr. Hughes: Yes, briefly. I understand that the Post Office's view is that unless the full post code is used there is no guarantee that first-class mail will be treated as a first-class service. Is that not wrong? Will the Secretary of State try to do something about it?

Mr. Tebbitt: That is essentially a matter for the management of the Post Office. It will endeavour to offer the best service possible in any circumstances, but to give it the best possible chance of providing a really first-class service the use of the post code is highly desirable.

Mr. Dickens: Is my right hon. Friend surprised to learn that a constituent of mine who wrote asking me when my next surgery was to be held, in order to seek the benefit of my advice and experience, received my reply, giving him that information, several days too late? I learnt of that only this week when I received a letter saying why he had not attended my surgery. If a letter posted from the mother of Parliaments, the House of Commons, in a House of Commons envelope with a first-class stamp on it, arrives late, how does an ordinary individual in this country stand a chance in hell of getting his mail delivered first-class the day afterwards? It is scandalous.

Mr. Tebbit: I am amazed that my hon. Friend's constituents are not aware of the regularity with which he holds his advice bureau. It is most uncharacteristic of him to hide his light under a bushel. The figures show that getting on for nine out of 10 first-class letters are delivered the following day. I do not believe that that is good enough, and the Post Office does not believe that is good enough. I hope that the new agreements that have been reached will lead to a more constructive attitude on the part of all those in the Post Office towards providing a better service.

Mr. Madden: Is the right hon. Gentleman aware that the Post Office management in Bradford has been appealing to the public not to use post offices during several days of each week which are regarded as exceptionally busy? Is he further aware that those appeals follow the closure of many sub-post offices in my constituency and elsewhare? What is the right hon. Gentleman doing to ensure that sub-post offices are not shut on the basis of arbitrary and unclear criteria and that customers who use post offices are given a reasonable service?

Mr. Tebbit: Sub-post offices are not closed on arbitrary and unfair criteria. I assure the hon. Gentleman that, when they are closed, they are closed on clear grounds. I am sure that it is only sensible that the Post Office advises people that, if they want to get the quickest possible service, they should remember that there are busy days and lightly loaded days. That is no different from reminding people that buses and tubes are more crowded during the rush hour than at off peak times.

Footwear Industry

2. **Mr. Freeman** asked the Secretary of State for Trade and Industry what plans he has to assist the development of the footwear manufacturing industry.

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. David Trippier): My department has a wide range of schemes currently available to assist the development of industry, including the footwear manufacturing industry.

Mr. Freeman: Does my hon. Friend agree that the best way for the Government to help the footwear industry is to encourage the introduction of new technology, especially microelectronic process control technology, which will safeguard, rather than lose, jobs?

Mr. Trippier: Yes. In addition to the substantial grant which the Department of Trade and Industry gives the industry's research association, which last year was in excess of £500,000, officials in my Department are engaged in negotiations with representatives from the industry on the use of advanced techniques in the manufacture of footwear.

Mr. Campbell-Savours: Is the Minister worried about the influence of the British Shoe Corporation on the British footwear market?

Mr. Trippier: There is a retail commitment, with which the hon. Gentleman is familiar and to which we refer from time to time. I appreciate that there have been discussions about this matter in the all-party footwear committee. If the hon. Gentleman would like to draw my attention to any specific matter, I shall consider it seriously.

Mr. Fry: In the context of the future of the footwear industry, has my hon. Friend seen early-day motion 834, which asks the Government to act on the danger of the United States Government imposing quotas on exports of footwear to that country? Will my hon. Friend be kind enough to make a statement?

Mr. Trippier: I have seen that early-day motion, which has been signed by colleagues with constituency interests in footwear, and I agree with the thrust of it. With our full backing, the Community has registered the strongest possible representation to the United States Administration that, if exports from the EC to the United States are to be curtailed, that would be unjustified and oblige the Community to take advantage of its powers under the general agreement on tariffs and trade to be compensated fully for injury caused to our exporters. It would not be understood in this House if the Americans introduced such a protectionist measure, because it would not sit easily with their professed belief in free trade.

Mr. John Smith: In the event of the Americans not matching their actions to their beliefs and quotas being applied, will the Government ensure that such quotas are applied country by country, or on an EEC basis, whereupon the Government will put pressure on Brussels to ensure that there is a country by country allocation of those quotas, as the British Footwear Manufacturers Federation has asked the Government to do?

Mr. Trippier: I should not like to go down that path, for the simple reason that, at this stage, only the International Trade Commission is making representations to the American Administration. The ITC is not part of the American Government. Indeed, the American Administration has a good record on resisting the overtures of organisations, such as the ITC, with regard to the introduction of protectionist measures. I do not know whether we shall get anywhere near what the right hon. and learned Gentleman suggests. I hope that the record to which I have referred remains good.

Mr. Powley: If the position to which my hon. Friend the Member for Wellingborough (Mr. Fry) referred came about, and vast quantities of cheap shoes were being dumped on the English market to the detriment of our footwear industry, following early-day motion 834, would my hon. Friend be prepared to consider appropriate measures to protect our industry?

Mr. Trippier: It would be a case of retaliatory action, and we are nowhere near that at the moment. As I said in reply to the right hon. and learned Member for Monklands, East (Mr. Smith), I do not think we should be led down that path at this stage. The United States Administration have always resisted protectionist measures. Obviously it is our profound hope, as it is the hope of the European Community, that they will resist them again.

"Burdens on Business"

3. **Mr. Greg Knight** asked the Secretary of State for Trade and Industry how many submissions have been received to date in response to his Department's consultative document, "Burdens on Business".

Mr. Trippier: We have received 78 submissions so far — 22 from business and other organisations, and 56 from firms or individuals.

Mr. Knight: Is my hon. Friend aware that the House will applaud the initiative that he has taken to seek to cut away unnecessary bureaucracy and red tape, which are indeed a burden on business? What further action does he propose? Will he bear in mind the increase—some of us would say regrettable increase — in Common Market regulations?

Mr. Trippier: I am grateful to my hon. Friend for his initial remarks. The initiative to which he referred has been carried forward by my right hon. and noble Friend Lord Young of Graffham. He hopes to make a statement on the matter before both Houses rise for the summer recess.

My hon. Friend is right about the growing number of regulations that are coming out of the European Community. That is why my right hon. Friend the Prime Minister has raised the matter on two occasions in the European Council. We are now waiting for the European Commission to come forward with its ideas on how we can cut unnecessary burdens.

Mr. Ashdown: As the Minister knows, we support his attempts to reduce the burdens, especially on small businesses. Nevertheless, does he accept that the statistical base for the health of the small business sector is now so inadequate that we are unable to monitor properly the effect of Government policy? Does he further accept that it would be possible to set up a better monitoring system without increasing the burdens on small businesses? Will he take steps to put that into operation?

Mr. Trippier: The hon. Gentleman is right in saying that we have a paucity of statistical information with regard to the small firms sector, particularly about employment in that sector. It may be possible to introduce new measures. Perhaps the Department of Trade and Industry should consider a new way of trying to get at that information. Only recently I had a meeting in my office with representatives of Dun and Bradstreet, which, as the hon. Gentleman will know, produces the statistics for small firms in the United States. Certainly those statistics are more prolific. Of course, I have great difficulty in

trying to balance increasing the statistical base and not increasing the burdens on small firms in regard to form filling.

Mr. Bellingham: Does my hon. Friend agree that one of the biggest problems facing small businesses is the attitude of Government officials? In America, officials will go into a small firm with the sole aim of trying to help the entrepreneur, but here officials are far too often unsympathetic and at times antagonistic.

Mr. Trippier: The attitude of certain officials has been identified in the "Burdens on Business" scrutiny report. I am anxious, wherever possible, to encourage officials to be more user friendly.

Mr. Williams: Will the Minister confirm that the Comptroller and Auditor General warned the Government recently that many small firms are not maintaining good health and safety standards? Does not that warning underline another report which shows that firms with fewer than 100 employees, although they account for only one in 20 of the work force, account for half of all machinery accidents? As the Government have already cut the Health and Safety Executive by 13 per cent., do not those figures make nonsense of the proposal in the document that small firms should be self-regulating in health and safety matters? While many small firms are responsible, will it not mean that the health and safety interests of far too many workers will be left in the hands and at the whim of cowboys and sweat shop operators?

Mr. Trippier: The right hon. Gentleman sought to make a similar point in the debate on small firms on 21 June. I should emphasise that the "Burdens on Business" scrutiny report, to which he referred, is not necessarily wholly the work of the Department of Trade and Industry. In fact, it transposed the views expressed by small business men who were interviewed in the "Burdens on Business" scrutiny. We have to try to find the right balance between licence and liberty. My right hon. Friend the Secretary of State made it clear in his foreword that there was no question of our removing necessary protections for employees, consumers or the public at large. However, we are determined to reduce the unnecessary burden and to simplify and rationalise those controls which must be retained.

Motor Vehicles (Spanish Origin)

4. **Mr. Yeo** asked the Secretary of State for Trade and Industry what information he has as to the number of motor vehicles of Spanish origin which were sold in Britain in 1984.

Mr. Tebbit: According to statistics produced by the industry, 95,348 Spanish-built cars, 4,759 light vans and 193 lorries were registered in the United Kingdom in 1984.

Mr. Yeo: Is my right hon. Friend aware that there is great concern among those connected with the British motor car industry about the apparent ease with which Spanish producers sell their products here and the not so ready access that British manufacturers enjoy to the Spanish market?

Mr. Tebbit: We are very much aware of that. As my hon. Friend knows, this problem arose because of the agreement signed between the Community and Spain back in 1970 before we joined the European Community. We are dealing with it under the terms of the accession of Spain to the Community, and there are three principal measures which will be helpful.

First, all the Spanish import duties against our cars will be phased out over a period of seven years, and one half of that cut will be in the first three years.

Secondly, Spain will impose VAT on 1 January 1986, which will lessen discrimination against imports.

Thirdly, there will be a reduced duty quota, and in 1986 that will double the present level of cars imported into Spain.

Mr. Yeo: Too long.

Mr. Tebbit: Yes, probably so, but that was the best arrangement that we could negotiate. In the circumstances, I think that it is a reasonable one.

Mr. Park: In view of the imbalance of trade between Spain and Great Britain in motor vehicles and the fact that there is now apparently to be another phasing-in period, despite the fact that the Spanish motor industry is now bigger than our own, why should we agree to this further phasing-in period, and why cannot we adopt the attitude of other countries to imports?

Mr. Tebbit: The hon. Gentleman is a bit late in putting his point. After all, it was the Labour Government who renegotiated the terms of our membership of the European Community. If he thinks that it was possible to gain better terms for Britain, he should have made his point then. However, the opportunity did not arise again until the accession of Spain to the Community. The agreement which we have now negotiated is making the best of the bad job that we have had since 1970 in Spain's relations with the European Community.

Mr. Roger King: Given the present problems of selling cars to Spain or to any other European country, does my right hon. Friend consider that the recent agreement in Europe on exhaust emissions will benefit us in selling cars to Spain or anywhere else?

Mr. Tebbit: That agreement was not designed to benefit the motor industry. It was designed to benefit the environment. However, I think that the Germans might have thought of the possibility of imposing a speed limit on their autobahns first if they were really serious about guarding their environment.

Although it is likely that our reserve will be raised, I should make it clear that the agreement reached last week by the Environment Council is difficult for the United Kingdom to accept, and it will need the satisfactory resolution of a number of important outstanding technical points.

Mr. John Smith: The Secretary of State acknowledges that it is a very difficult agreement for the United Kingdom, and I understand——

Mr. Speaker: Order. I should not really have allowed the supplementary question posed by the hon. Member for Birmingham, Northfield (Mr. King). It is rather wide of motor vehicles of Spanish origin.

Mr. Smith: I was seeking to ask the Secretary of State a question arising directly out of his answer——

Mr. Speaker: Order. Since I allowed the supplementary question, I think that is fair enough.

Mr. Smith: I am obliged to you, Mr. Speaker.

The Secretary of State said that the agreement raised difficulties for the United Kingdom. He added that a reserve would be put on it, but that it was likely to be lifted. If these difficulties persist, why is it proposed to lift the reserve? Why not keep it on?

Mr. Tebbit: We face a difficult decision. We must decide whether no agreement is better than the agreement reached ad referendum. The right hon. and learned Gentleman will understand that that is a difficult decision. On balance, it would appear that to accept the agreement would hurt the motor vehicle industry less, not only in Britain but in the Community as a whole, than to reject it. I hope that we shall get a satisfactory resolution of those important outstanding technical points.

Regional Strategy

5. **Mr. Alton** asked the Secretary of State for Trade and Industry if he will make a statement on the operation to date of his revised regional strategy.

The Minister of State, Department of Trade and Industry (Mr. Norman Lamont): It is too early to measure the effectiveness of the revised policy, which has been in operation for only seven months. We shall make an assessment as soon as possible after the new incentive package has had time to work through into additional job opportunities.

Mr. Alton: Does the Minister agree that there are many structural improvements planned in Britain which, although not in development areas, if expedited could be of immense importance to those development areas? Does he further agree that such schemes would qualify for social funding? If so, who is responsible for making that decision, and how many schemes have been designated to date?

Mr. Lamont: I follow the hon. Gentleman's logic that a project in one area may have an impact on a development area. However, in general, those projects will not qualify for assistance under the present scheme, and they never have.

Mr. Harris: Regarding the regional strategy for the south-west, does my hon. Friend agree that the biggest handicap to its economy is the dreadful bottleneck on the A30 at Okehampton and the state of the A30 into Cornwall? Will he please lend his weight to those of us who want a reversal of the Select Committee's disastrous decision about the southern part of the Okehampton bypass?

Mr. Lamont: Every time I have been in the south-west I have heard a similar tune. I shall certainly draw my hon. Friend's comments to the attention of my right hon. Friend the Secretary of State for Transport.

Mr. Williams: Will the Minister confirm that the Secretary of State for Wales was party to the decision to cut regional assistance? Is he aware that yesterday, on Welsh television, the Secretary of State deplored the loss of social fund assistance to mid-Wales, although that loss is the direct result of the withdrawal of assisted area status, to which he was a party? Since in the 12 months to April 1985 Brecon and Radnor, deprived of regional aid, has seen unemployment rise faster than in any other Welsh constituency — three times as fast as the increase in Wales as a whole—will the Minister assure the House that he will restore assisted area status to mid-Wales?

Mr. Lamont: The right hon. Gentleman made a speech about the by-election last night in the steel industry debate, and he has not stopped talking about it since. We were all waiting for his comments. The social fund is of relatively small magnitude as applied to Wales. The fact is that Wales came out of the review of regional policy relatively well.

European Community (United Kingdom Exports)

6. **Mr. Knox** asked the Secretary of State for Trade and Industry what was the value of exports to other member countries of the European Community in the most recent year for which figures are available; and how this compares with the value in 1978, at constant prices.

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. Alex Fletcher): In the year to May, United Kingdom exports to the other members of the European Community amounted to £35 billion compared with £13·5 billion in 1978. Those figures are at current prices. Constant price figures are not available, but a rough estimate of the increase in volume would be about 40 per cent.

Mr. Knox: Although there has been a satisfactory and commendable increase in British exports to the Community since 1978, does my hon. Friend agree that the increase would have been greater if British exporters had enjoyed the exchange rate stability that membership of the exchange rate mechanism of the European monetary system would have given them?

Mr. Fletcher: That is a matter for my right hon. Friend the Chancellor of the Exchequer. We should not forget that the substantial increase in our exports, to which I have referred, has taken place without our being a member of the EMS, and that all countries, whether in or out of the EMS, are affected by exchange rate fluctuations.

Mr. Fatchett: Does the hon. Gentleman agree that the balance of payments situation between Britain and the other members of the Community is likely to continue to deteriorate if what is happening, for example, in Halifax in West Yorkshire continues? The Philips factory there, which is efficient, where there has been a major improvement in productivity, where wages are low—an aspect which the Government claim leads to job security —and where not one day has been lost as the result of industrial action in the last 13 years, has been closed down, with Philips having transferred production to Naples in Italy. Does the Minister agree that that is a scandal in relation to manufacturing industry in Britain? What do the Government intend to do about that? Will they just sit back and allow jobs to be lost in such circumstances?

Mr. Fletcher: I am, of course, sympathetic to the constituency problem that the hon. Gentleman raises. Although he refers to a deteriorating balance with the EEC, in the first quarter of this year our total visible trade with the Community was roughly in balance.

Mr. Kenneth Carlisle: Those figures show how important a market the EEC now is to our manufacturing industries. However, would not our relationship with the Common Market be that much better if we had free trade in the service industries? Does my hon. Friend agree that that is a major area where we could have considerable success by using our initiative?

Mr. Fletcher: I agree with my hon. Friend, and that point was stressed by the Prime Minister at the conference last weekend in Milan.

Mr. Gould: Are not the figures made to look much better than they are by the inclusion of oil exports to the EC, which were virtually non-existent in 1978 and are now worth about £12 billion a year? Is it not a fact that in manufactured trade, which is what really counts, our share of the EC market has fallen sharply since 1978 and that we now have an enormous deficit of £9 billion? That is the true measure of the damage that the Conservatives have done to British industry.

Mr. Fletcher: I disagree with the hon. Gentleman and I am amazed that the Labour party should constantly pick out Britain for criticism. Many other countries export oil. Why should we not do so?

Departmental Contracts (Small Firms)

7. **Mr. Stern** asked the Secretary of State for Trade and Industry what further initiatives he has taken to seek to facilitate access by small firms to procurement contracts for supplies to his Department.

Mr. Trippier: In addition to previous measures to improve small firms' access to Government business, my Department recently published a new version of our booklet, "Tendering for Government Contracts". That gives an up-to-date account of what the main purchasing Departments buy, their basic procedures and whom to approach.

Mr. Stern: I am grateful to my hon. Friend for that initiative. What proportion of Government procurement goes to small firms? Do such figures as are available include sub-contracting by small firms?

Mr. Trippier: Only recently I authorised a study, which is being conducted by the Department of Trade and Industry, into the destination of sub-contracts as they are placed by major Ministry of Defence suppliers. I hope that that information will be available early next year, but in the middle of the year at the latest. That would improve the statistical base to which reference was made in an earlier question by the hon. Member for Yeovil (Mr. Ashdown).

Mr. Meadowcroft: Does the Minister see it as his job to do battle with other Government Departments, for example, to achieve a target for small businesses engaged in procurement from the the Government? What success does he have in such negotiations with other Departments?

Mr. Trippier: I do not know that I would use the word battle. That might be appropriate when referring to the relationship to which I referred, with the Ministry of Defence. If it was a battle, certainly we won it, and I was pleased with the response that I received from the then Minister of State for Defence Procurement, who is now the Minister for Information Technology. It is a role of mine, as Minister with special responsibility for small firms, to cross departmental boundaries and try to encourage Departments to respond in the way that the Ministry of Defence responded.

Sir Kenneth Lewis: Is my hon. Friend aware that while it is helpful to provide information to small businesses to enable them to deal with the labryinth of bureaucracy, that is not enough? Is he further aware that we need a change of attitude in his and other Departments to give a slight discrimination in favour of small businesses, instead of keeping to the old pattern, which many in the Departments tend to do?

Mr. Trippier: Broadly, I agree with my hon. Friend. Perhaps the impression has been given by the Government that we do not discriminate in favour of small firms, though I have heard it said by colleagues that we try to remove the disadvantages of size for small firms. In truth, we discriminate in favour of small firms. We have been doing so since 1979, are doing that now and will continue to do so. Many of our schemes are tailored only to the small firms sector. In some of the measures that have been introduced by my right hon. Friend the Chancellor of the Exchequer, there is, for instance, the small firms corporation tax rate, and 75 per cent. of the schemes which are referred to in "Support for Business", the new publication which we have issued, are targeted at the small firms sector and are not available to large firms as a whole. Indeed, nor shall they be, because small firms have the wealth and the employment creation potential.

Mr. Campbell-Savours: What proportion of the contracts let by the Department of Trade and Industry are competitive contracts as against non-competitive contracts such as those let, say, to Aish and Company of Poole, which ripped off the Government through excess profit-taking and had to pay back £400,000 to the Department of Defence, and, indeed, must pay back more?

Mr. Trippier: I am sure that the hon. Gentleman would not expect me to be familiar with the company to which he has referred. If he has a specific complaint, perhaps he would write to me or come to see me. I shall certainly have a look at it.

Hall Russell (Aberdeen)

8. **Mr. Robert Hughes** asked the Secretary of State for Trade and Industry if he will make a statement on the privatisation of Hall Russell, Shipbuilders, Aberdeen.

Mr. Norman Lamont: It remains the Government's intention to privatise Hall Russell.

Mr. Robert Hughes: Does the Minister accept that his frustrations in trying to privatise Hall Russell are as nothing compared with the frustration of the work force over its lack of employment? Both stem from the same source, the shortage of security of orders. Will he therefore make it clear that from the Government's point of view there is no inhibition, prohibition or bar on Hall Russell obtaining a share of any non-naval shipbuilding orders which may be available? To make those possible contracts more commercially viable, will he make sure that that yard is classified as a yard that has the capacity at least of having access to the intervention fund?

Mr. Lamont: I agree with the hon. Gentleman that the real problem is the shortage of orders, and it should not be confused with the issue of privatisation. As to whether Hall Russell ought to be a yard that seeks merchant orders, the hon. Gentleman will know that all but one of the orders that it has received in the last five years have been military orders. It is a matter essentially for British Shipbuilders whether it regards the yard, if it remains within British Shipbuilders, as a defence yard or a merchant yard. Any

decision that British Shipbuilders makes, of course, has an impact on other yards and other merchant yards and on the orders that they must get. That has to be taken into account. As to the intervention fund, we shall be making a statement on that soon, but we have indicated that it is unlikely that, as a general rule, the intervention fund will be available to privatised warship yards.

Mr. Malone: In view of my hon. Friend's reply, can he confirm that the best long-term prospect for Hall Russell in securing naval and merchant orders will, indeed, be in the private sector, where it will be relatively unshackled? On a more general basis, can he tell the House whether he is satisfied with the progress that has been made in selling other warship building yards?

Mr. Lamont: I agree with my hon. Friend that the yard is likely to have as good, if not better, security of employment by being in the private sector. It remains the position, of course, that Hall Russell is still pursuing certain other orders. There was the statement about the OPV3s in the defence debate the other day, and there are other tenders in which the yard is interested. As regards general progress of privatisation, my hon. Friend will know that Brooke Marine was sold in May. I am pleased to say that the sale of Yarrow to GEC has now been completed with the consideration previously announced and with the acceptance by British Shipbuilders of a small contingent liability, should further redundancies arise. The other yards will be on offer soon.

Mr. Wilson: On the question of Hall Russell, may I ask the Minister to accept that the yard has had a very high reputation for its activities and efficiency over the years, and that the confusion and uncertainty that exists about its permanent ownership cannot but make it very difficult for the management to secure the orders that are desperately needed to keep the yard going?

Mr. Lamont: I accept what the hon. Gentleman says about the concern, although, of course, the work load will continue until August 1986. As I have said, the yard is interested in certain other orders. The basic problem is the order book, not privatisation.

Mr. John Smith: Is it not clear to the Minister by now that the Government's desire to privatise the yard has added another layer of uncertainty and difficulty to the problems which the yard would have faced in any event? Would it not be wise for the Government not blindly to pursue privatisation but to reconsider whether the yard should be retained as part of British Shipbuilders? If they are not prepared to do that, will they change some of the rules and influence British Shipbuilders to ensure that a wide range of orders are available by broadening the capability of the yard? The Government can show their intention to BS because, after all, they are the authors of the privatisation policy, not British Shipbuilders.

Mr. Lamont: We must take into account — as, indeed, British Shipbuilders must—the position in other yards where jobs are at stake. There has been agreement on both sides of the House that the underlying problem is orders. The right hon. and learned Gentleman appears to think that somehow the problem can be concealed if the yard is kept in the public sector.

Traditional Industries (Leicester)

9. **Mr. Janner** asked the Secretary of State for Trade and Industry whether he will take steps to aid the traditional industries of Leicester.

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. John Butcher): Firms in Leicester are eligible for assistance through my Department's national schemes of support.

Mr. Janner: Does the Minister not recognise that those schemes are wholly inadequate to meet the savage burden of unemployment which afflicts a city which was once very prosperous? What is needed is a specific undertaking to aid the traditional industries of Leicester, rather than the platitudes with which pleas have been greeted during the past six years.

Mr. Butcher: I do not agree that there is any longer any such thing as a traditional industry. Even those companies making traditional products are now using new production techniques, so, to that extent, they are newer industries.

On the question of the economic health of Leicester, I hope that the hon. and learned Gentleman took note of the following comment on Radio Leicester yesterday:

"Leicester's knitwear industry has improved to such an extent that most firms will be able to guarantee their employees full time working until the end of the year, after their return from holiday fortnight.

Sec. Bill Boggen of the Knitwear Industry Association says there was confidence and optimistic atmosphere in the industry."

The hon. and learned Gentleman may have a vested interest in his doom and gloom statement, but I am satisfied that the schemes — for example, support for innovation — that are available to what he calls the traditional industries of Leicester are relevant and valuable.

Mr. Richard Page: Does my hon. Friend agree that Government policies have dramatically improved investment and productivity in industries such as those in Leicester? Would he care to build on that by having a word with our right hon. Friend the Chancellor of the Exchequer about bringing down interest rates whenever practicable to help the industries in Leicester?

Mr. Butcher: Interest rates are rightly a question for my right hon. Friend the Chancellor. It is in the interests of industry and commerce generally that the Government should continue to reduce public expenditure so as to give my right hon. Friend as much room as possible to manoeuvre on interest rates.

Mr. Peter Bruinvels: Is my hon. Friend aware that the problems in Leicester outlined by the hon. and learned Member for Leicester, West (Mr. Janner) are absolute nonsense? Leicester is doing considerably better than it ever did before. Rate capping has come in and ensured that business men are now getting on with running their businesses. More jobs are appearing on the scene, and young and useful enterprise companies are now creating additional jobs. The only thing that Leicester actually needs is for the Government to get off our backs, for there to be less form-filling and for there to be continued help and advice from the small firms centre, which does so well.

Mr. Butcher: After today's exchanges, I am sure that the residents of Leicester will agree with me that it is my

hon. Friend who is doing his best to protect the interests of the city of Leicester. There is no mileage in peddling doom and gloom about any city.

Japan, South Korea and Taiwan

10. **Mr. Phillip Oppenheim** asked the Secretary of State for Trade and Industry what is the current balance of payments deficit with Japan, South Korea and Taiwan.

Mr. Fletcher: Information on the United Kingdom balance of payments with individual countries is not available. In the period from January to May 1985 the United Kingdom had provisional crude trade deficits of £1,331 million with Japan, £76 million with South Korea and £184 million with Taiwan.

Mr. Oppenheim: My hon. Friend will be aware of the concern of hon. Members of all parties about the difficulties that our exporters experience in getting into those markets. However, is he aware that the inconsistencies and unfairnesses in our own duties and those of our European partners often make our case far more difficult to argue? For example, is my hon. Friend aware that recently penal anti-dumping duties were imposed on certain importers of Japanese electronic typewriters? It just happened that one of those companies had duties in excess of 50 per cent. imposed while two other companies, the wholesale prices of which were similar, had no penal duties imposed on them at all. The reason was that those two companies——

Mr. Speaker: Order. The hon. Gentleman should ask a question, not give reasons.

Mr. Oppenheim: Is my hon. Friend aware that the two Japanese companies which had no duties imposed on them happened to be selling their products through Olivetti and Adler, their European distributors? As a result, British businesses are being charged extra for their electronic typewriters.

Mr. Fletcher: I should like to investigate the cases that my hon. Friend mentions. With regard to electronic typewriters, an anti-dumping case was opened against Japan in March 1984. The Commission found considerable evidence of dumping, and imposed definitive duties on imports of Japanese machines on 19 June last.

Mr. John David Taylor: Is it normal practice for the Government to encourage trade with a country from which they still withhold official recognition?

Mr. Fletcher: Yes, Sir.

Mr. Fallon: Instead of harping on about the difficulties of getting into those markets and lost orders, will my hon. Friend pay tribute to companies such as Davy McKee, which has just won a splended order in South Korea against Japanese opposition?

Mr. Fletcher: I am happy to do so, and to say that our exports to South Korea increased by almost 50 per cent. in the first four months of this year.

Mr. Madden: What steps are the Government taking to make sure that assurances given to British car component manufacturers following collaborative deals between British and Japanese motor vehicle producers are worth more than the paper they are written on?

Mr. Fletcher: I do not think that our car industry would enter into agreements with the Japanese which they, as British motor manufacturers, did not feel to be worth while.

Mr. Gould: What is the point of bleating about the Japanese if we are not prepared to compete with them seriously? As an example, what is the point of complaining, as the Prime Minister did, that the Japanese are holding the yen at an artificially low level when we are doing all that we can to hold the pound at an artificially high level against the yen through the use of damagingly high interest rates?

Mr. Fletcher: The hon. Gentleman was complaining that the pound was too low a short time ago.

Heavy Lorries

11. **Mr. Ashdown** asked the Secretary of State for Trade and Industry what proportion of the United Kingdom market for maximum weight heavy lorries has been gained by domestic manufacturers over each of the last 10 years.

Mr. Butcher: In 1984 domestic manufacturers had 41·6 per cent. of the United Kingdom market for heavier weight commercial vehicles. The corresponding share in 1975 was 61·9 per cent. I shall include in the *Official Report* a table showing figures for the past 10 years.

Mr. Ashdown: I am grateful to the Minister for that answer. Does he recognise that that means a drop of 20 per cent. over that period? Does he recall that of the arguments put forward, particularly by the road lobby, for the increase in heavy lorry weights, one of the strongest was that it would increase the domestic manufacturers' base? Does the hon. Gentleman recognise that those figures point to exactly the opposite having happened? Will he make sure that he nails any similar fallacy that may be used in current discussions about increasing heavy lorry weights?

Mr. Butcher: I appreciate the hon. Gentleman's constituency interest in heavy lorry weights. The major part of the fall in the British share of that market occurred from 1975 to 1979, when it went down by 13 per cent., at a time when industrial relations were particularly bad and productivity was particularly poor. However, I note what the hon. Gentleman said about the European dimension and the effect that it may have on future product development of vehicles in the United Kingdom.

Mr. Robert Atkins: Does my hon. Friend agree that despite that reduction, which, as we said, happened in the earlier stages of the decade, the amount of work and effort being put in by the management and work force at Leyland Vehicles—coincidentally in Leyland in my constituency — shows the strength that the company now has in world markets and the high quality of the trucks that it is now making?

Mr. Butcher: I congratulate my hon. Friend on the vigorous representations that he makes on behalf of the work force at Leyland vehicles. I also congratulate the company on the success of its new designs and on its new models, which are producing an increase in the market share for Leyland vehicles.

Following are the figures:—

Year	Domestic manufacturers' share (%) of the UK market for heavier weight commercial vehicles (1)
1975	61·9
1976	55·0
1977	54·6
1978	50·9
1979	48·9
1980	50·0
1981	50·8
1982	44·8
1983	42·4
1984	41·6

Source: Society of Motor Manufacturers and Traders
Note (1): Articulated vehicles over 29 tonnes and four-axled trucks.

Germany and Japan

12. **Mr. Teddy Taylor** asked the Secretary of State for Trade and Industry what was the deficit in manufacturing trade with Germany and Japan, respectively, in the most recent annual period for which figures are available.

Mr. Tebbit: In the 12 months to May the crude deficit on our manufactures trade with the Federal Republic of Germany was £5·4 billion and with Japan £3·1 billion.

Mr. Taylor: Do these alarming German figures show that we may be making a serious mistake in trying to make Japan the scapegoat for our trading problems, when many of the complaints about Japan fall apart on careful examination? Is my right hon. Friend willing to make representations to the German Government, asking them what steps they are taking to reduce the deficit, particularly when a significant part of this stems from clear abuses of the Anglo-German trade agreement and of non-tariff barriers?

Mr. Tebbit: My hon. Friend is on a bad point in being an apologist for Japan. Our policy is not to achieve a particular balance with each trading partner in each category of goods. Our quarrel with Japan is over its trading tactics, the barriers against imports — not just against the United Kingdom but against other countries — which we find almost impenetrable, the use of subsidy on exports to an excessive degree, and its control of the yen.

Germany is far more open, although she certainly has, as my hon. Friend says, quite disgraceful and blatant discrimination in some sectors, most notably, for example, against the insurance industry. My hon. Friend can be assured that I put that point most vigorously in the European Community and I hope that the Commission will eventually get up and begin to take some action over it. Lord Cockfield's White Paper may point in that direction.

Mr. Baldry: Is not the way to tackle deficits, whether with Germany, Japan or any other country, for Britain to seek to win a larger share of world markets? Is not the way to do this for the Government to assist manufacturers to win crucial export orders by assisting where necessary with loans to purchasers? Does my right hon. Friend agree that it is possible for us to do that without being dragged down into the subsidy quagmire?

Mr. Tebbit: In the trade between ourselves and Germany, happily, not a great deal of subsidy goes into the dumping of exports on each other. The way in which to get more of our exports into Germany, particularly our maufacturing exports, is to follow the example of Jaguar, which, from a very poor position a little while ago, has been increasing its exports substantially by the simple expedient of producing what the German customer wants.

Mr. John Smith: What precise lessons have been learnt by the Government from the Bosporus bridge affair, and what changes in Government policy might we expect to see?

Mr. Tebbit: The lessons that we have learnt are that, first, we must look with caution upon Japanese Government statements until they are backed by Japanese Government action in the same direction as the policy statements. Secondly, our companies must try even harder to be thoroughly competitive in every direction, including their choice of partners in such important contracts. Finally, the Government, too, must make sure that we are ready, on hand, with a quick response, within sensible limits of subsidy and assistance to our exporters. That lesson is well known, and was successfully carried through in the way that we beat the Japanese to the Korean steel mill contract recently.

Business Expansion Scheme

13. **Mr. Michael Brown** asked the Secretary of State for Trade and Industry whether he is satisfied with the geographical distribution of funds under the business expansion scheme to small firms.

Mr. Trippier: I am aware that many investments under the business expansion scheme have been located in the south-east and the midlands. I am keen to encourage greater use of the scheme in other parts of the country, and I am glad to note that more BES funds are now being launched outside London.

Mr. Brown: My hon. Friend's answer will be of great comfort to businesses in the north, Yorkshire and Humberside. Will he also consider whether there is scope within the business expansion scheme to enable companies to borrow sums of about £50,000? That could be of considerable assistance to them.

Mr. Trippier: The business expansion scheme is for equity investment from outside rather than for borrowing. Sometimes the supply of smaller amounts of capital is difficult because the procedure of appraisal and monitoring can be disproportionate. None the less, I am pleased that 30 per cent. of companies receiving BES investment received £50,000 or less, and that 50 per cent. received £100,000 or less. I do not suggest that we are complacent about the position. We must increase awareness of the benefits of the scheme, and we must encourage the start-up of more regional or sub-regional funds.

Mr. Rowe: Does my hon. Friend agree that the learning time for people to understand the schemes launched by his Department is longer than he probably expected? Does he further agree that we need an assurance that schemes such as the business expansion scheme and the loan guarantee scheme will be left in place long enough for people to understand fully the best way to exploit them?

Mr. Trippier: The learning curve is longer than I expected. Sometimes I think that I must say something seven times, and then people are on to it in a flash. It is important to increase awareness of some of our schemes,

which we have simplified, wherever we can. The two schemes to which my hon. Friend referred have proved to be beneficial and are much appreciated by small firms.

Bus Building Industry

14. **Mr. Canavan** asked the Secretary of State for Trade and Industry when he last had discussions with representatives of the bus building industry; and what subjects he discussed.

Mr. Butcher: My hon. Friend the Minister of State met a delegation from Leyland Bus earlier this year. Other right hon. and hon. Friends as well as officials from my Department have maintained regular contact with representatives of the industry.

Mr. Canavan: Is the Minister aware that before the publication of the Transport Bill there was almost no consultation with the bus building industry, and that the companies and workers in that industry are almost unanimous in their opposition to the Bill, which spells disaster for the domestic market for new buses? In view of that gross dereliction of duty by the Department of Transport, is it not about time that a Minister with responsibility for industry fought for the interests of workers in firms such as Walter Alexanders in my constituency, whose export record proves that it is capable of building the best double-decker buses in the world?

Mr. Butcher: As a Minister with responsibility for industry, I must also take into account the fact that, even before the current measures were mooted, there was a trend of declining production and output in the entire bus building industry. That could not have been allowed to continue. As to the impact of the legislation, the detail is a matter for my right hon. Friend the Secretary of State for Transport. I should tell the hon. Gentleman that we have discussed many matters with representatives of the industry, including the long-term decline in bus manufacturing and how the Government's transport proposals can arrest that decline.

New Businesses (North-East)

16. **Mr. Fallon** asked the Secretary of State for Trade and Industry how many new businesses have been established in the north-east since 1979.

Mr. Norman Lamont: In the north-east, an estimated 18,632 new businesses started up in the four years from 1980 to 1983.

Mr. Fallon: Does that figure not show the north-east to be a region of opportunity, and should not that fact be shoved down the throats of the doom and gloom merchants in the north? How many of those businesses still exist, and what is the net surplus?

Mr. Lamont: From the end of 1979 till the end of 1983, taking into account the demise of businesses, the stock of businesses in the region increased by about 8·4 per cent. That is the effect of the creation of new businesses. I entirely agree with my hon. Friend. Too often, the north-east is portrayed as an area where people do not wish to start new businesses and where there are no entrepreneurs. Those figures show that there is much inventiveness and innovation in the area.

Mr. Dormand: Will the Minister tell the House how many businesses in the north-east have collapsed since May 1979? Although I realise that it is not his direct responsibility, does he agree that it would be much more beneficial to the region to keep pits open——

Mr. Speaker: Order. The hon. Gentleman is going a little wide of the main question.

Mr. Dormand: The next part of my question will be relevant, Mr. Speaker. How many new businesses of the sort about which the Minister is talking will be needed to absorb the 1,200 miners who were made redundant from Hordern colliery in my constituency, and the 250 coke work employees who were made redundant at Hawthorn in my constituency? Will he ask the Secretary of State for Employment to do something about it?

Mr. Lamont: As I have said, there is a substantial surplus of new businesses—of births over deaths. There has been an 8·4 per cent. addition to the stock of businesses. The answer to creating more jobs to cope with redundancies in the coal industry is not keeping open uneconomic pits, but creating new enterprises and new viable jobs that can last without subsidy.

British Leyland (Bathgate)

17. **Mr. Dalyell** asked the Secretary of State for Trade and Industry what representations his Department has had from West Lothian district council on the future of the British Leyland site at Bathgate.

Mr. Butcher: None, Sir. As the hon. Gentleman is aware, the primary responsibility in this matter rests with my right hon. Friend the Secretary of State for Scotland.

Mr. Dalyell: What help can the district council expect from the Department to retain the Bathgate site for manufacturing units?

Mr. Butcher: That is a matter for my right hon. Friend the Secretary of State for Scotland. In the context of that question, I take the opportunity to reassure the hon. Gentleman that the Scottish Development Agency, Locate in Scotland, the Scottish Office and the Secretary of State are anxious to see that manufacturing facilities are continued on that site.

STATUTORY INSTRUMENTS &c.

Mr. Speaker: With the leave of the House, I shall put together the two motions relating to Statutory Instruments.

Ordered,

That the draft Food Imitations (Safety) (Amendment) Regulations 1985 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Town and Country Planning (Fees for Applications and Deemed Applications) (Scotland) Amendment Regulations 1985 be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr. Neubert.]*

Post Office

3.30 pm

Mr. Christopher Chope (Southampton, Itchen): I beg to move,

That leave be given to bring in a Bill to make provision for the de-regulation of sub-post offices and for connected purposes.

Before 1895, in order to become a sub-postmaster one had to be nominated by a local Member of Parliament. That system was rightly brought to an end. I submit that the present system, whereby a local head postmaster has an absolute veto over the establishment of new sub-post office facilities is equally unfair and must be changed.

The Bill is not concerned with the privatisation of the Post Office, welcome though that might be to many hon. Members. The Bill is concerned only with the deregulation of sub-post offices which, almost without exception, are already part of the private enterprise economy. The Bill will encourage the establishment of more sub-post offices and remove from the Post Office the arbitrary power to prevent new sub-post offices from being established.

Sub-post offices are a national institution. There are over 20,000 of them and they represent an important part of the social and economic fabric of the country. The 9,500 sub-post offices in the urban areas are every bit as important as the rural sub-post offices.

In the past 10 years, nearly 2,000 sub-post offices have closed and the Post Office is presently engaged in a strategy to close a further 1,000. Only with deregulation can this trend of declining service be reversed. If nothing is done and the Post Office is allowed to impose upon the public the so-called standard, first set 40 years ago—that post offices should not be closer than one mile apart — many more sub-offices will be closed,, to the consternation and dismay of the customers.

The one-mile standard is arbitrary and the reason why the number of post offices has not been reduced to this standard is that the closures have normally been considered only when sub-postmasters retire or resign. What is now so sinister, however, is that profitable sub-post offices are being bribed by the Post Office to close. Even more odious is the spurious justification that Government financial targets are the cause of those closures. If financial arguments are to be used, Crown post offices rather than the sub-post offices should be coming under pressure. The latest figures show that sub-post offices provide 62 per cent. of Post Office business at 50 per cent. of the cost.

I can best illustrate the urgent need for the Bill with a topical example from Southampton. Last Friday, the north Woolston sub-post office closed and later this month the Pinegrove road sub-post office will also close. The two sub-offices were less than half a mile apart and were paying out each week 755 pensions and 430 other allowances. They enjoyed total business amounting to 405,000 units—to use the Post office jargon for the basis of remuneration of sub-postmasters.

I am informed by the Post Office that every sub-postmaster receives minimum remuneration based on 21,500 units but that it is difficult for the Post Office to make a profit when business is that low. In Southampton, however, we are talking about 19 times that minimum level of business, so the demand for the services is clearly there. One of my constituents, Mr. Eric Shephard, wrote to the local head postmaster asking if he could open a sub-post office to meet the demand but was told that he would not be allowed to do so because, allegedly, there were too many sub-post offices already. On what criterion was that decision taken? It was clearly not the criterion of satisfying the customers as the petition against the north Woolston closure was signed by more than 1,000 people.

Many customers would accept the closure of sub-pest offices due to lack of demand or because they were unprofitable, but the two offices that I have mentioned are to be closed only because the Post Office has offered substantial bribes to the proprietors to induce them to cease trading. This came to my notice only when I found that, despite the substantial petition that I had received and a delay by the Post Office in closing one office, the proprietor has been pressing the Post Office to close it as soon as possible because he wanted the money. I calculate that about £37,000 has been paid out by the Post Office to ensure that two sub-post offices in Southampton are closed. That makes no sense and the Bill would deal with that mischief. For one of the sub-post office owners the inducement to close was even greater, as the same person owned the nearest alternative sub-post office and would thus benefit from much of the custom generated if no competition were allowed to develop.

The Bill would not prevent sub-post offices from closing, but it would allow anyone wishing to meet consumer demand to open a sub-post office at his own expense and to run it on the same terms as other sub-post offices. It would also remove any incentive for the Post Office to use its profits to buy out profitable retail outlets. The Bill will make a presumption in favour of anyone wishing to open a sub-post office who has suitable secure premises and is a fit and proper person with adequate training. It would set up a licensing authority independent of the Post Office to consider applications and to allow applicants to tender for socially necessary but uneconomic offices. It will also prevent the Post Office from restricting the opening hours of sub-post offices and from imposing other restrictions on sub-post masters which operate against the public interest.

Deregulation will prove that, in practice, the one-mile-apart standard for urban post offices is inadequate for the customer. In short, the Bill will take the power from the Post Office and give it back to the customers—the pensioners, the families with young children and all who treasure the personal service that sub-post offices invariably give.

Question put and agreed to.

Bill ordered to be brought in by Mr. Christopher Chope, Mrs. Angela Rumbold, Mr. Peter Lilley, Mr. Derek Conway, Mr. Neil Hamilton, Mr. Gerald Howarth, Mr. Michael Fallon, Mr. Michael Brown, Mr. Michael Portillo, Mr. Michael Forsyth and Mr. Tony Baldry.

POST OFFICE

Mr. Christopher Chope accordingly presented a Bill to make provision for the deregulation of sub-post offices and for connected purposes; And the same was read the First time: and ordered to be read a Second time upon Friday 19 July. [Bill 181.]

Orders of the Day

Sporting Events (Control of Alcohol etc.) Bill

Order for Second reading read.

3.39 pm

The Secretary of State for the Home Department (Mr. Leon Brittan): I beg to move, That the Bill be now read a Second time.

This House has had only too much cause in recent times to express its dismay and disgust about what has been happening to the game of football in this country. Innocent people far too often have been put in fear by rampaging young thugs who have deliberately come for a fight, and not to see the game at all. English supporters abroad have acquired the reputation of thugs and hooligans — so much so that as a result of what occurred in Brussels English clubs have been banned from competing overseas. Trouble inside grounds deters peaceful, genuine supporters, especially families, from going to matches. The series of appalling and shameful events in the second half of last season—at Luton, at Birmingham and of course in Brussels, and elsewhere — has shaken the whole nation.

My right hon. Friend the Prime Minister made it clear in the House on 3 June that the Government intend to take urgent action on a number of fronts to restore the good name of British football and to make football grounds safe places for decent people. This Bill is one such measure. It cannot solve the whole problem, but it can make an important contribution to doing so. It is concerned with the control of drink and drunkenness. There is widespread agreement that alcohol is a major contributory factor in violent and disorderly behaviour in football grounds, and it is this aspect of the problem that the Bill deals with. I have discussed its main provisions with the Opposition and the alliance parties, and readily recognise that they, and indeed the whole House, are as determined as the Government to do everything possible to ensure speedy and effective action. I am grateful to the right hon. Member for Manchester, Gorton (Mr. Kaufman) and the hon. Members for Berwick-upon-Tweed (Mr. Beith) and for Caithness and Sutherland (Mr. Maclennan) for their helpful comments and for the valuable contributions they have made to working out these proposals. I much appreciate their support and the fact that as a result we are able to approach this problem on a non-partisan basis.

The time scale in which the House is invited to approve the Bill is, I recognise, shorter than the House would normally expect. I regret that that should be necessary. The Government's intention is that the Bill's provisions should be in force before the start of the next football season. Time is therefore short, but I trust that the House will agree that action is needed now. We must take urgent action to do what is in our power to prevent the repetition of the disgraceful and tragic events of last season.

The Bill is broadly based on part V of the Criminal Justice (Scotland) Act 1980. It varies from it in some respects, the most important of which I shall deal with shortly. The Scottish provisions have proved their value. The Association of Chief Police Officers in Scotland has said that it regards the 1980 Act as a major step towards improving football spectator behaviour. The Scottish Football Association and the Scottish League have said that, since the introduction of the Act, the atmosphere inside grounds has improved beyond measure.

Let us be under no illusions: the Bill will not solve all the problems of hooliganism. That requires other action as well, and not only by the Government. But I am convinced, in the light of the Scottish experience, that it will make an important contribution to securing a real improvement in the standard of crowd behaviour.

Mr. Tam Dalyell (Linlithgow): Without wishing to hold up the Scots as paragons, does the Home Secretary recollect that there is a special problem in Scotland? The clubs that have made major alterations, namely, Rangers, Celtic and Aberdeen, in the light of the Ibrox disaster have a great deal of money compared with the other, smaller clubs. Where will the money for all this come from? The Scottish clubs that made the necessary improvements were the big and the rich clubs.

Mr. Brittan: The hon. Gentleman's question relates very much more to the safety requirements than to the problems covered by the Bill. Nevertheless, I accept that an element of financial restraint and limitation is involved.

The Bill applies to sports grounds and sporting events designated by the Secretary of State. My immediate intention is to designate only soccer grounds and matches. I intend to designate the grounds of all football league clubs, Wembley and any other stadium which might be used for international fixtures. I intend also to designate non-league grounds when they are used for matches with football league clubs—for example, in the FA Cup. At present hooliganism associated with other sports is not on a scale which makes the tough measures in this Bill necessary. Everything possible must be done to ensure that that remains the case. Nevertheless, it is right now to take powers which can be extended to other sports if the need arises. This is what has been done in the Scottish legislation.

Mr. Tom Pendry (Stalybridge and Hyde): Is the Home Secretary aware that the big difference between the Scottish legislation and what he is proposing now is that every club in Scotland, with the exception of Clydebank, was dry and had no licensed facilities, whereas England and Wales have lived relatively happily with licensed clubs for many years?

Mr. Brittan: I had intended to deal with that matter, so perhaps I should proceed.

Mr. Joseph Ashton (Bassetlaw): Is there not a major loophole in that, when the Home Secretary designates a ground, it must have a capacity of more than 10,000? If a club reduces its capacity to less than 10,000 by closing two sides of the ground, for example, would it not escape designation?

Mr. Brittan: I am glad to be able to clarify the matter. That is the case under the Safety of Sports Grounds Act 1975, but not with this legislation. There is a separate process of designation governed by separate definitions.

Some of the worst problems associated with drinking and drunkenness occur on "football specials"—coaches and trains taking supporters to and from matches—and at the entrances to grounds. Indeed, the Association of Chief Police Officers considers that this is where the main

[Mr. Brittan]

problem lies. Supporters drink on the way to grounds and arrive there already under the influence of alcohol. The Bill contains tough measures to deal with this — it prohibits the possession of alcohol and drunkenness on special trains and coaches. Moreover, transport operators, hirers and their employees will commit offences if they permit the carriage of alcohol on such trains and coaches. Further offences are created in respect of the possession of alcohol, or drunkenness, when entering or trying to enter a ground. I regard these new controls on transport and on entry to grounds as perhaps the most important part of the Bill, since they should reduce the likelihood of supporters arriving at the ground already under the influence of alcohol.

I said earlier that there are some differences between our proposals and the Scottish Act. The significant ones relate to the sale and possession of alcohol in grounds. The Scottish Act bans the possession—and therefore the sale —of alcohol in any public area of a designated ground, but it permits possession, although not sale, in places within the ground which are not open to the public and not within sight of the pitch. The effect of this Bill is that, at the start of the new season, the sale of alcohol will similarly be prohibited in football grounds in England and Wales. It will also be an offence to possess alcohol at any place from which the match can be viewed, as in Scotland. In addition, it is proposed that subsequently, under tightly controlled conditions, clubs with a good record of safety and orderly conduct may be permitted, on application twice a season to a magistrates court, to sell alcohol, but only at approved places out of sight of the pitch. I should make it clear that this requirement will apply to all sales, whether to directors, supporters' clubs, social clubs or members of the public. In each case, applications to the court will be needed, and in each case there will be stringent provisions to stop the sale whenever that is necessary.

There are two main reasons for the variations from the Scottish provision. The first is largely historical. Scottish football clubs were "dry" before the 1980 Act because they were not licensed to sell alcohol. The main impact of the Scottish Act was therefore on people arriving drunk at grounds and on people taking in drink which they had bought outside. English clubs have a somewhat different tradition. Indeed, for some, sale of drink has been a source of considerable revenue, often use for ground improvements. So we are starting from a different point from our Scottish colleagues in 1980.

But that would not of course be anything like sufficient justification for shrinking from a total ban if that were necessary to deal with the problem effectively. These clubs would just have to forgo the revenue. But the fact is that the Association of Chief Police Officers, with its members' extensive experience of policing the grounds of major league clubs, has told us clearly that it does not favour a total ban. In its view, strictly controlled drinking inside grounds is easier to police than increased and more dispersed drinking in pubs and in the streets away from the ground.

Mr. Dennis Skinner (Bolsover): Would it be a fair assumption to suggest that the Home Secretary is putting it to the House that some people will be boozing inside football grounds? If one has enough money to have a little box with a little fridge, one can drink as much as one likes. Is it not also worthy of consideration that on a Wednesday afternoon we are talking about stopping people drinking on the terraces at football matches when at the same time on the terrace here at the House of Commons, where I was a few minutes ago, about 30 Members were boozing who will probably booze all day until the Vote at 10 o'clock tonight?

Mr. Brittan: The hon. Member for Bolsover (Mr. Skinner) has completely misunderstood the impact of the legislation. Whereas drinking on the House of Commons terrace may enable the hon. Gentleman to make a cheap point, he knows perfectly well that we are dealing with a particular problem that has brought shame on the country and requires urgent action. As for his last point, had the hon. Gentleman listened to my explanation, he would know that application can be made to the magistrates court for an exemption enabling bars to be opened to members of the public so long as they are not within sight of the pitch. I shall now continue with my explanation of the matter.

In view of the considerations to which I have referred, the Bill makes it possible for magistrates to issue an order permitting the sale of alcohol in certain areas of the ground if they are satisfied that this would not be detrimental to the orderly conduct and safety of spectators. That is a paramount requirement. The courts are asked to have regard, in particular, to the arrangements for the admission of spectators and for regulating their conduct, but it will not be possible for an order to apply to an area from which the pitch can be viewed directly. This is because the Bill contains an overriding offence banning the possession of alcohol in such areas. In any case, the police will, of course, be able to put to the court objections to the issue of an order. The net effect of these changes is that, if, and only if, the magistrates authorise it, alcohol will be able to be sold to members of the public but only in areas out of sight of the pitch—for example, in the behind-stands bars which exist in many grounds. In no circumstances will drink be permissible on the terraces or stands.

Moreover, the police will be able to apply for a revocation or variation of an exemption order and if there is no time to apply to the court, a police inspector will himself be able to revoke the order temporarily. In addition to all that, if disorder none the less arises, any bar can be closed by the police forthwith at the match itself. The limited element of flexibility that I have described will make it possible to recognise the good record of some clubs and to provide an incentive for others to do better. Nevertheless, as compared with the current position in England and Wales, the proposals in the Bill embody a system of rigorous controls which will have an impact on all clubs and, in some cases, may lead to a considerable loss of revenue. In particular, the Bill will ban the possession and sale of alcohol in private boxes and restaurants from which the pitch can be viewed.

Mr. David Alton (Liverpool, Mossley Hill): The Home Secretary has already told the House that many people arrive at football grounds in an alcoholic stupor. Should he not therefore ensure that more authorities can implement the existing power to ban alcohol in areas around the grounds? Will he also tell the House that, when the opportunity for international matches returns, duty-free liquor will be banned from sale on ferries to and from matches?

Mr. Brittan: That matter will have to be considered at the appropriate time. On the first point, the hon. Member is right in the sense that it is open to the police to apply to the courts for a suspension of licensing provisions relating to public houses in the vicinity of grounds, if they anticipate disorder. It is also open to them to make a similar application in relation to off licences. I am glad the hon. Gentleman has given me the opportunity to draw that to the attention of the House.

I understand the concern of clubs, some with a good record of crowd behaviour, about the prospect of a considerable loss of revenue, but the need to do everything we can to minimise the risk of disorder must prevail. The proposals in the Bill for the control of alcohol inside grounds are tough, but I believe that they are fair, and that they strike the right balance between the need to prevent disorder and our desire not to penalise good clubs and respectable spectators.

Mr. Denis Howell (Birmingham, Small Heath): The Home Secretary has just said, properly, that he understands some of the financial implications for clubs. If we are considering the future of football and if this is a Bill for all time, it is important to understand the financial effects of the proposals on football clubs. Does the Home Secretary dispute the figure given to me by the football league that this amounts in essence to a fine of £4 million? We will deal with that in Committee later, but how does the Home Secretary expect clubs to make up the £4 million that they need to run the clubs and to carry out community sports policy on football grounds?

Mr. Brittan: I do not accept the figure for one moment.

Mr. Howell: What is the Home Secretary's figure?

Mr. Brittan: If the right hon. Gentleman asks a question, I assume that he wants an answer and if he is prepared to listen, he will have it. I do not accept the figure he gave, for two reasons. First, that figure is based on an estimate of the number of people who will give up private boxes. That assumption is dependent upon the impossibility of converting those boxes into such a form as to comply with the law. It is also dependent upon an assumption that the only interest of the people who take those boxes is to drink rather than to watch football.

Secondly, I do not accept the estimate that the right hon. Gentleman has given because that estimate fails to take account of the other factor — that, if we make football something that can be watched safely, revenue will increase because far more people will be prepared to go to football matches. In particular, families who were driven away by the spectacle of violence will return to football matches. I have no doubt that it is because the right hon. Gentleman accepts the necessity to take these measures that he has been so helpful in assisting the Government to come forward with proposals, the support of which by the Opposition I very much welcome.

Mr. Max Madden (Bradford, West): The Home Secretary may know that I was in contact with his Department last week to ask what the impact of the Bill would be on Bradford City football club which in the coming season will be playing its matches on a rugby ground. If he cannot give me the information now, could he arrange for his hon. Friend to give it when he contributes to the debate? Secondly, before the Home Secretary sits down, can he say when a progress report will be given to the House by the working party on safety? Can he give an assurance that we will get a statement before the House goes into recess?

Mr. Brittan: The last point that the hon. Gentleman raised does not relate to the Bill, but it is the intention of Mr. Justice Popplewell to give an interim report at an early date, as I have said he was most welcome to do. On the particular Bradford point, I will seek to get a response to the hon. Gentleman shortly.

Mr. John Carlisle (Luton, North): Before he leaves that point of drinking out of sight in the sponsor's box, I hope my right hon. and learned Friend will accept that this is going to make a very serious difference to many clubs, particularly those which are proposing to build new boxes. I take his point that, under the new proposals, those boxes must be built in such a way that drinking will not be seen. As my hon. Friend the Member for South Ribble (Mr. Atkins) has said, in some of the places where football is being watched, alcohol is necessary because the football on the pitch is so bad. He must understand and not underestimate the fact that this brings a very large revenue into the clubs and that there will be a considerable cost to clubs, particularly to the club of the right hon. Member for Birmingham, Small Heath (Mr. Howell), in installing one-way glass.

Mr. Brittan: I accept there is a potential loss of revenue for those clubs that wish to set up the kind of boxes from which the pitch can be viewed. As my hon. Friend has fairly pointed out, the clubs concerned can adapt their arrangements and make them comply with the Bill so that the drinking does not take place within sight of the pitch. As the House will be aware from the competing interventions, we are talking about a balance. It would be possible simply to say, "No drink at all, in any circumstances." That would be too damaging to those football clubs which derive an income from drink and where it can be controlled safely. On the other hand, to say that we will allow drinking to take place within sight of the pitch would go too far in the opposite direction. This balance is the right one. I shall now go through the main provisions of the Bill.

Clause 1 concerns travel to and from matches on coaches, minibuses and football special trains. It creates three new offences: first, it is an offence to possess alcohol on the vehicle or train; secondly, it is an offence for the hirer or operator or his servant or agent knowingly to cause or permit alcohol to be carried; and thirdly, it is an offence for a passenger to be drunk. The clause will catch travel in England and Wales, not only to English and Welsh grounds, but also — this is important — to designated matches abroad and to matches in Scotland which have been designated under the 1980 Scottish Act.

Mr. Tony Banks (Newham, North-West): Is the Home Secretary aware that there is a growing practice among the unofficial supporters' clubs, like the Inter-City Firm, for example — no doubt he knows quite a lot about such organisations — to privately hire mini-vans and coaches and drive themselves to football grounds? I assume they will take their alcohol with them. Is that covered in his Bill?

Mr. Brittan: Yes, if it requires to be licensed, but it is not possible to cover what is the equivalent of a private car.

Mr. Harry Ewing (Falkirk, East): Clause 1 relates to those operating trains. The Home Secretary made the important point that it will catch supporters and the staff on the trains travelling to matches in Scotland. Clause 10 is the relevant clause relating to Scotland and does not cover the staff. I am not in favour of the staff on trains being liable under this legislation. What will happen when the train is not travelling from England to Scotland, but from Scotland to England? When the train is in Scotland it is covered by the Scottish legislation, which does not deal with the staff on the train. When the train is in England it is covered by the English legislation, which does deal with the staff. Is this not confusing?

Mr. Brittan: I am aware of the point and I should like to look into it, because it may be a matter which requires clarification. I am grateful to the hon. Gentleman.

Clause 2 concerns behaviour in the ground or on entry to it. It is an offence to be drunk while entering or trying to enter the ground, or any part of it. We have gone somewhat further than our Scottish colleagues in this respect—the hon. Gentleman may be interested in that—in that under the 1980 Act the offence of drunkenness can be committed only in public areas of the ground and areas from which the game can be viewed. We propose no such limitation. It is also an offence to possess alcohol or a controlled container on entry to the ground or in any part of the ground from which the game can be directly viewed. The throwing of missiles, especially bottles and cans, is all too common and can cause serious injury to innocent people. This provision in effect bans all bottles and cans from the stands and terraces.

Mr. Ashton: Can the Home Secretary tell us why this applies just to football? Is he aware that, at a championship boxing match two years ago, people were urinating in empty lager cans and throwing them at the ring and causing a lot of damage? There was mayhem on that night. Why is he not covering boxing in the same way as football?

Mr. Brittan: The fact that the hon. Gentleman refers to a single example two years ago illustrates the point well. If, sadly, the sort of scenes one has seen so frequently in football matches became prevalent in any other sport, one would have to consider the extension of the legislation to cover that. Although the hon. Gentleman can give an important example, violence of the kind we have seen on the football grounds is not habitual elsewhere.

Mr. Peter Snape (West Bromwich, East): On the question of consuming alcohol in an area from which the pitch can be seen, is the Home Secretary aware that, at West Bromwich Albion's ground there are 57 executive boxes? Would it be possible under this legislation for someone to sit in one of those boxes in full view of the pitch and consume Coca-Cola or even Perrier water? Would that not be likely to inflame people in other parts of the ground who will not know from a distance whether or not someone is consuming alcohol?

Mr. Brittan: That is not a real problem. They will certainly be able to drink Perrier water if that is what they wish.

The Prime Minister (Mrs. Margaret Thatcher): Not Perrier.

Mr. Brittan: As my right hon. Friend the Prime Minister points out, they might be wiser to choose a similar sparkling English product.

Mr. Skinner: What about claret?

Mr. Brittan: Claret will be caught out. The hon. Gentleman's concern is fully met, and I am able to assure him that the ban on claret drinking in sight of the pitch is one that has the full acquiescence of all parties in the House. Perhaps I could proceed.

Clause 3 to 5 and the schedule concern the sale of alcohol in licensed or registered club premises inside the ground when a match is being played. That includes a period of two hours before the start of the match and one hour after the final whistle. During that time, no alcohol may be sold unless the magistrates court has granted an exemption order. I have explained how that works. As I have said, the court must be satisfied in granting an order about the likely consequences for public safety and orderly behaviour. The order may be revoked or varied by the court, either generally or for a particular match. There is power for a police inspector to suspend an order at short notice for a particular match. This would provide for the situation in which, for example, the police received information on a Saturday morning that troublesome supporters of the away team were on the their way to the afternoon's match.

Clause 4 provides that the normal duration of an exemption order is five months. The relevance of that—I am grateful to the right hon. Member for Gorton for assisting us in coming to that period—is that this means that clubs will need to apply for an order and thereby satisfy the court about its arrangements for ensuring safety and good order at least twice every season. Clause 4 and the schedule lay down procedures for making applications for orders, which include in every case the notification of the chief officer of police and the local authority.

Before leaving this part of the Bill, I should say that while clubs will be able to apply for exemption orders as soon as the Bill comes into force, it will take some time for applications to be dealt with. Therefore, there will be a period after commencement during which no club whose ground has been designated will be able to sell alcohol at a match.

Mr. Peter Bruinvels (Leicester, East): Leicester City football club sent me a telex message today about this. It feels that it will no longer be able to serve alcohol in its executive boxes. They are screened from the public, but they overlook the pitch. Does my right hon. and learned Friend think that the club will be able to appeal, or does it have nothing to worry about? If it must appeal, how long will it have to wait?

Mr. Brittan: If the pitch can be seen from the boxes, I am afraid that the club will have to reconstruct its boxes for the possession of alcohol to be permissible. However, if the boxes are not covered by that absolute ban, it will be open to the club to apply to the magistrates court for an exemption order. But, as I have explained, for a short time at the beginning of the next football season all league club games and international fixtures will be dry.

It is not possible to say exactly how long it will take for an exemption order to be issued in any particular case, but it cannot be less than 28 days, which is the minimum period laid down in the Bill, between the application to the

court and the hearing of the case. Therefore, it is likely to be September before any sale of drink at designated grounds can be resumed. This will mean — it is a positive advantage and not just an administrative consequence of the procedures — that in considering applications courts will be able to take account of each club's track record in the opening weeks of the season.

Clause 5 provides a right of appeal to the Crown court against a decision by a magistrates court in connection with an order. Clause 6 empowers a constable in uniform to close bars in a ground if trouble breaks out or is threatened during the period of a match. Clause 7 gives the police the necessary powers to enforce the Bill's provisions. Clause 8 prescribes penalties, and clause 9 sets out the definitions. Clause 10 amends part V of the Scottish Act.

Mr. Robert Atkins (South Ribble): What will be the position of Berwick Rangers, whose ground is situated in an English town but which plays in the Scottish league? To which legislation will it be subject?

Mr. Brittan: Its ground will be subject to the English legislation.

Clause 10 amends part V of the Scottish Act. It extends controls under the Act to trains, which are not caught at present under the 1980 Act, as well as public service vehicles. It enables the Secretary of State for Scotland to designate matches overseas, and it applies the Act to matches designated under the present Bill so that travel in Scotland en route to designated matches in England and Wales and abroad will be caught.

It is a matter of deep regret that we should have to be considering such measures today. I believe that the whole House and the whole country would infinitely prefer it if they were not necessary, but there is no doubt that they are necessary. Football is a great national game which gives pleasure to millions. We cannot tolerate the mindless violence and hooliganism that now disfigure it. I believe that the measures that we are discussing today are in the interests of law-abiding supporters, the clubs themselves and everybody who wants to be able to walk freely about his town on a Saturday without fear or hindrance.

Mr. John Carlisle: Can my right hon. and learned Friend emphasise one very important point? Nowhere in the Bill is the word "football" mentioned. Will he confirm that the Bill is intended for designated football clubs and football alone? Perhaps he will explain that should he or any successor of his decide that such measures are necessary for other sports such as cricket or rugby, he will have to come back to the House and seek approval for such sports to be designated—or will they be covered under this Bill's provisions?

Mr. Brittan: I said earlier that at the moment it was the Government's intention to apply it to football and not to other sports. However, the Bill provides for the procedure to apply to other sports.

Our objective must be to make football grounds safe places for peaceful citizens to go and take their families to enjoy a great sport. The Bill will not in itself and alone secure that objective, but I believe that in dealing with the problem of alcohol in relation to football it will take us one important step towards that aim.

4.15 pm

Mr. Gerald Kaufman (Manchester, Gorton): I am grateful to the Home Secretary for his acknowledgement of the co-operation of the Opposition in this legislation and for the consultation which took place. I think we all agree that it would have been more satisfactory if there had been additional time for such consultation. Nevertheless, it was genuine and I appreciate the substantial concessions which the Government have made to our point of view — concessions which are included in the published Bill, and the right hon. and learned Gentleman has named one of them.

Naturally, there are parts of the Bill with which the Opposition are still dissatisfied, and I have no doubt that that dissatisfaction will be voiced during the debate. However, the Opposition will assist in the early enactment of the legislation.

The Bill stems from the interest which the Prime Minister began to show four months ago in the problem of hooliganism at football matches. I say "hooliganism at football matches" rather than "football holiganism" because I believe that this kind of hooliganism exists in our society quite independently of football. Its manifestation at football grounds arouses special concern because such disturbances are highly visible through being concentrated in one place, and a place, moreover, which is very likely to be the location of television cameras on a day and time of the week that are known in advance.

As we know, the Prime Minister first took an interest in this problem after the disgraceful scenes at the Millwall-Luton match in March. She saw those scenes on the television screen and decided that something must be done about them. The *Sunday Telegraph* reported after that event

> "A 'tougher and abrasive' atmosphere is reported in Downing Street."

There was a flurry of action after that event. Meetings were held with representatives of the sport. A group of senior Ministers, described in some quarters as a task force, was set up and appears to have met several times.

At the beginning of April the Parliamentary Under-Secretary of State for the Environment, the Minister with responsibility for sport, issued a list of priorities, and that list seemed to turn into the Government's policy on this problem. The Prime Minister has repeated it in the House, and the Minister with responsibility for sport himself reiterated it in its entirety less than three months ago.

There has been all this bustle of activity, but, four months after we first heard of the concern of the Prime Minister, all that the Government have to show is this Bill. We must hope that the Bill will do some good. For that reason, the Opposition sought to improve it and will do nothing to prevent or to delay its passage.

Mr. Brittan: The right hon. Gentleman has just made an inadvertent mistake in saying that the Government have done nothing else. It is not for me to give the House a list of the actions, but a specific one is the setting in hand of the procedure of designation of third and fourth division clubs under the 1975 Act. It is extraordinary that the right hon. Gentleman should allow himself to say that this legislation is all that has been done.

Mr. Kaufman: We have seen the designation of the grounds, but I was under the impression that that designation came about following the disaster at Bradford

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and was intended to deal primarily with the dreadful questions of ground safety that arose as a result of the Bradford disaster.

Mr. Brittan: The right hon. Gentleman is not right in that respect, as was said publicly at the time.

Mr. Kaufman: I accept what the right hon. and learned Gentleman says, but I shall deal with some of the other matters to which we have referred. I hope that the right hon. and learned Gentleman will not be too sensitive when I say that this piece of legislation is the only item that has come before the House to deal with the matter. There is a list of other matters, to which the Government have referred. I had hoped that the Home Secretary would give us a progress report on them.

Mr. Madden: When I intervened in the Home Secretary's speech I referred to the working party under the Minister with responsibility for sport which is considering safety, and asked whether the Government would make a financial contribution to clubs to improve safety. Does my right hon. Friend agree that before the recess there needs to be a statement on the recommendations of the working party and, more important, what financial contribution the Government will make to enable clubs to make their grounds safe?

Mr. Kaufman: My hon. Friend has consistently advanced that case since the disaster that took place in his city, and I shall deal with the question of financial assistance before I sit down.

I am sure that I am right and not misattributing anything to the Home Secretary in saying that even the Bill's sponsors are not completely satisfied with it, which is why the Home Secretary has stated his willingness to re-examine it and, if necessary, to change it after its operation has been monitored and before further legislation is introduced.

I, like the Government, have been in touch with both the football interests and the police. The football interests argue, and the Football Association has argued most recently in a letter which I received this morning, that the legislation's implications have been ill thought out. The financial implications for some clubs are undeniably serious. When I visited the Tottenham Hotspur ground yesterday, the club told me that implementation of the Bill could cost it about £600,000. If the Home Secretary disagrees with the £4 million figure suggested by my right hon. Friend the Member for Birmingham, Small Heath (Mr. Howell), perhaps the Minister of State will offer us an alternative estimate when he replies to the debate.

I am sure that the impact of the legislation on individual clubs has not been considered. The Government will not deny that the Bill will undoubtedly cause difficulties for clubs by adding to their burdens of stewarding. The exclusions in the Bill will impose a great burden on stewards, as one realises if one considers the nature of voluntary stewards at football grounds. The police, who have been good enough to give me their views on the matter, agree that the Bill will cause problems for them. However, we have only the Bill to tackle the problem, and we must hope that it will be successful, in the interests of the country and of the sport.

I shall now deal with other items on the Government's list. From the Prime Minister's comments in the House and press briefings, we know that she is keen on the extension of closed circuit television to more grounds. This could undoubtedly be of assistance in crowd control. A month ago, after the Brussels disaster, the Prime Minister said in her statement that agreement had been reached on the acceleration of the installation of closed circuit television, but today the Home Secretary said nothing about its progress. As the new season is only six weeks away, it would be helpful if the Government would tell us what progress is being made in the installation of closed circuit television.

In the same statement the Prime Minister said that the proposals in the public order White Paper could be of assistance. She said of the White Paper:

"The proposals on assemblies in the open air will considerably strengthen the powers available to the police to guard against the risks of disorder."

There are two problems with that. First, we have no idea when the legislation will be introduced, let alone passed, and most, if not all, of the next football season may elapse before it is available for use by the police. Secondly, the proposals in the White Paper are profoundly disturbing to many people because of their limitations on free speech and peaceful and orderly public assembly. When the legislation is drafted, a careful distinction must be drawn between action against hooliganism, which action we all support, and attempted and unacceptable restrictions on open-air public meetings if it is to have a chance of being publicly acceptable. The Prime Minister also said:

"I shall be discussing urgently with the football authorities proposals for the introduction of a practical scheme of membership schemes, either on a club or national basis, proposals for far more all-ticket matches and stricter controls or, in some cases, a ban on visiting spectators." — [*Official Report*, 3 June 1985; Vol. 80, c. 22.]

Chelsea football club has sent me a copy of a letter which it has sent to the Metropolitan police, in which it insists that all-ticket matches are impracticable. Have the Government examined that further, and do they accept the views of Chelsea football club and others on that issue? The letter states:

"We strongly believe that all-ticket matches are impractical, especially in the case of derby games. Firstly, it is impossible to distinguish between the respective supporters and secondly because ticket touts 'make a killing' and do not care to whom they sell tickets. This defeats the whole object of the exercise."

Mr. Ashton: Is it not a fact that the trouble occurred at the Luton-Millwall match because it was a replay? No one knows when a first game will end in a draw and a replay, or any number of them, will have to be fitted in during the following four or five days. On those occasions, printing and distributing tickets is impossible.

Mr. Kaufman: On such a matter, the problem for most Members of Parliament and Home Office civil servants as distinct from specialists, such as my right hon. Friend the Member for Small Heath and others, is that the complexities which affect football clubs are not easily apparent to them. I am not denigrating Home Office civil servants, with whom I soon hope to be working closely. I visited Manchester City football ground last Saturday, Tottenham Hotspur's ground yesterday, and I have had discussions with others. If one visits the grounds and sees the extraordinary complexities involved in the admission of fans, policing, turnstiles, the administration of closed circuit television and the availability and printing of tickets, one realises that there are no easy answers. That

is why I quoted Chelsea football club's point, and my hon. Friend the Member for Bassetlaw (Mr. Ashton) reinforces that.

In reply to an Adjournment debate, introduced by my hon. Friend the Member for Newham, North-West (Mr. Banks), the Minister with responsibility for sport told the House that he had asked football authorities to report back to him within six weeks on a practical scheme for membership cards.

That six weeks' limit elapsed more than a month ago. May we be told what has been achieved in terms of working out what the Minister said — and what the Prime Minister repeated, using his words—was needed, namely, a practical scheme for membership cards? So far we have heard nothing more from the Government on the subject, though we have heard from the clubs and the police. They do not believe that such a scheme can work.

A conference of chief constables was held recently under the chairmanship of the chief constable of Greater Manchester, Mr. Jim Anderton, which rejected the idea of an identity card scheme for football supporters. Mr. Anderton said that clubs which tried to exclude people without cards would be entering a legal minefield.

I do not know whether the Home Secretary has received an excellent paper produced by Chelsea football club entitled, "Hooliganism, Football and Society". He must have seen it, because it is dated within the period since the Prime Minister first intervened. It is a brief but admirable document, which, talking about the identity card system introduced by Chelsea — which applies, in any case, only to the 11,000 members of Chelsea's supporters club —says:

"It has taken over two years for people to accept the idea and for the club to iron out teething problems."

If a prosperous and efficient club such as Chelsea takes two years to iron out such a scheme, it is asking a great deal of the other 90-odd clubs to introduce such a scheme within the six weeks between now and the opening of the football season.

Mr. John Carlisle: The right hon. Gentleman has berated the Home Secretary and the Prime Minister for not, in effect, putting forward more measures at this time. While I have sympathy with some of what he has been saying, is he aware—in relation to the various schemes which he has outlined in his attempt to get some political capital out of a Bill which has been well accepted by the House — that such matters as identity cards, all-ticket games, and membership cards are complex issues which, surely, are not for this House to decide? If, heaven forbid, the right hon. Gentleman was in the position of the Home Secretary in government, would he and the Labour party introduce legislation to make it illegal for people to enter grounds without identity cards or for there to be all-ticket games and so on? He must appreciate the complexity of the legislation that would be needed to achieve those ends, if indeed such legislation were necessary.

Mr. Kaufman: On Second Reading we debate what is and what should be in a Bill—*[Interruption.]*—and I am surprised that the Government believe that it is somehow inappropriate for the House to consider a number of matters relating to hooliganism at football grounds rather than simply this small Bill, which we are facilitating and which we hope will succeed. Rather than debate only a small measure which, the Minister will agree, is fragmentary and only marginally——

Mr. John Carlisle: Will the right hon. Gentleman answer my question?

Mr. Kaufman: I am doing my best to deal with the various issues. The Government have been considering this matter for nearly four months. The Minister with responsibility for sport, who, curiously, is not to speak in the debate, said in April that the Government had asked those involved in the sport to bring forward within six weeks — a time limit which he, not I, imposed — a scheme for membership cards. It does not become Conservative Members to ask me to be more practical than the Government whom they are supporting.

Mr. John Carlisle: What would the right hon. Gentleman do?

Mr. Kaufman: I shall not give commitments about legislation before being able to examine the matter further. *[Interruption.]* It is all very well for Conservative Members to giggle. The Minister with responsibility for sport is on record as saying that he wanted a scheme introduced within six weeks of 19 April. That period elapsed a month ago, and nothing has been brought forward. It ill becomes Conservative Members therefore to ask me, in opposition, to do what the Government said they would do and have not done.

Mr. Geoffrey Dickens (Littleborough and Saddleworth): Listening to the right hon. Gentleman is similar to listening to a prophet of doom. One would not think that people were being terrorised on trains and buses and outside football grounds, that shops were being smashed in and families frightened to death. The right hon. Gentleman criticises the Government for taking four months to deal with the matter. In that period, Ministers have been concerned with other legislation, with having meetings and with preparing the Bill which we are considering. For 20 years the country has been waiting for a Government to do something about the football problem in the United Kingdom. At last we have a Prime Minister with the guts to do something about it, and I am delighted that she is sitting on the Front Bench listening to the debate.

Mr. Kaufman: If the hon. Gentleman can remain long enough, his knighthood is now not in doubt, and I congratulate him. He is right, of course, to refer to the problems of hooliganism, vandalism and safety. They are profoundly important issues to society and I undertake to deal with them in some detail before concluding my remarks.

The official working party which the Minister with responsibility for sport set up said of membership cards:

"The idea of limiting admission to football grounds to supporters club members has been discussed before and rejected on the grounds of practicability, in particular that the delay in verifying membership cards at the turnstiles would itself lead to frustration and possibly violence, especially if ticket holders were refused admission."

The working party went on to argue that computerisation would help to solve some of the difficulties, but anyone who has examined the problems knows of the sheer complexity of dealing with the challenge of crowd control at football grounds, and the Chelsea paper makes that clear.

Yesterday I saw at White Hart Lane, as other hon. Members have seen at their football grounds, the enormous expense to which Tottenham Hotspur has gone

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to try to deal with these matters. Even Tottenham, a professional, well organised club, would not claim that it has been able to solve the problems.

The Minister with responsibility for sport returned recently from an international conference at Strasbourg with an agreement in his pocket. May we be told the practical effect of that agreement and to what extent the Government can deliver what the hon. Gentleman agreed at Strasbourg?

These are matters with which the Popplewell inquiry is supposed to be dealing. There are three weeks to the parliamentary recess and six weeks to the start of the football season, yet we have no knowledge of when even an interim report from Mr. Justice Popplewell can be expected. The Home Secretary simply said that the report would be brought forward at an early date.

When the Prime Minister addressed the House a month ago, she said that Mr. Justice Popplewell hoped to submit an interim report before the beginning of next season. There is not much time left for that, and it is difficult to see how the recommendations of such a report, if brought forward, could possibly be implemented in time for the season, even if the report were made available quickly.

In any event, some matters are not included in the Popplewell inquiry's terms of reference. One, which is of crucial importance to the clubs, is finance. All of the proposals that the Government have made, whether or not they are practicable, involve considerable extra expense, and there is no doubt that the proposals in the Bill will be financially damaging to clubs, often severely so. That factor must be borne in mind in the context of the Bill, and it cannot be denied, but the Government seem impervious to the financial needs of the clubs.

The implication of the Prime Minister's statement is that the only help forthcoming must be from the Football Grounds Improvement Trust. It has to be said that, helpful though that trust undoubtedly is, the sums of money available from it, considering that more than 90 league clubs are involved, are insufficient to finance the structural costs of the changes that will be needed. Opposition Members believe that serious consideration must be given to the establishment of a football levy board comparable to that for horse racing. The Government obtain hundreds of millions of pounds annually in taxation from football, and the arguments of the sport for a return of at any rate part of that money are persuasive.

The Government are still silent on the subject of the responsibility of Fascist groupings for at any rate some of the violence. The existence of racist elements among the hooligans is not in doubt. The Chelsea club paper on hooliganism admits:

"There is still a certain amount of racist chanting at Stamford Bridge directed at the visiting players".

It goes on to say:

"This is no worse than at other clubs".

I do not regard that as a comfort.

Anybody who has seen copies of *Bulldog*, the National Front youth magazine, must be profoundly disturbed by what he has read. The magazine regularly contains a special section entitled "On the football front". It provides photographs of members of the National Front at football grounds and it boasts, whether truthfully or not, of increasing sales of this detestable publication at football grounds. The magazine, in this section, features details of racist clubs in special league tables. One issue which I have seen congratulates Newcastle on being top of the racist league. It even shows a girl modelling a special Chelsea National Front T-shirt, and West Ham, I understand, is similarly polluted by the National Front.

Leicester university published a study last year which stated:

"It seems rather more than coincidental . . . that the identification of an active British Movement component in the support of Leeds United in the early 1980s should have prefaced some of the worst violence and vandalism by Leeds fans, certainly since the 1970s."

A report in *The Times* last month after the Brussels disaster stated:

"Opponents who monitor NF activities say that the extremists are interested in football violence as a means of destabilising society and winning publicity for themselves. This, they say, adds a new, menacing perspective to the extremists' long-standing campaign to exploit the tribal instincts and under-privileged circumstances among football's younger supporters."

I put it very strongly to the Government that they must take this Fascist connection much more seriously, and they ought to come to the House and announce exactly what is to be done about it.

I do not, of course, claim that Fascists are the only cause. The Chelsea paper points this out by saying:

"There is good reason to believe that much of the trouble is premeditated and well organised, with matches carefully chosen in advance. There was trouble at Southampton earlier in the season, and yet the same numbers were well behaved at Coventry. When Chelsea played Arsenal, with an attendance of nearly 35,000 there was little or no trouble and yet against Sunderland with a similar attendance there was serious disorder. Recent events show that the same people appear where trouble occurs."

There are even deeper causes of violence in society—causes which the Fascists are exploiting and which apply not only to football. The violent invasion of the pitch at the Headingley test match last month is only the latest of a series of warnings that violence can spread to cricket and to other sports. After all, what is the nature of what takes place at football grounds and at other large gatherings? What we have is a riot looking for somewhere to happen.

The report by our great and much lamented friend, Frank McElhone, put it like this in 1977:

"A hooligan is a hooligan no matter where he operates and the fact that his behaviour is conspicuous at a football match has very often nothing to do with the game itself. To many hooligans football grounds provide the theatres where they can indulge in exhibitionist violence and be sure of an audience. A football ground is a convenient site for the activities of hooligans because of the comparative safety from possible detection which a large crowd provides."

Mr. Robert Atkins: If I may move to an area which features largely in the discussion about this issue, can the right hon. Gentleman help by giving his views on why this should affect football in inner city areas while it does not affect, for example, Rugby League, a particularly working-class sport in the north, to an extent Rugby Union, and still, thankfully, the great game of cricket? This needs examination. Would the right hon. Gentleman care to pursue the problem?

Mr. Kaufman: I have done my best to look into authorities on this matter, and I have several things to say about it. If we really knew the answers to the hon. Gentleman's questions, we would be debating today not the Bill but a measure which could deal with the problem much more comprehensively.

Football grounds are chosen most often because, almost uniquely in society, they are the places at which boys and young men gather in their thousands, ready for incitement and exploitation and, when circumstances so contrive, to react spontaneously.

The question is: what is the nature of this violence, what are its causes and what are its compulsions? There have been many investigations and many explanations. The explanations point, for example, to the absence of adults in the areas in which most of the rowdiness originates in the football grounds. Then there is the relative absence of women, whose presence can have a restraining effect in these circumstances.

There are deep social discontents, which have been described, among others, by Mr. David Robins, a writer who specialises in this subject. He said:

"Unemployment, rejection of authority and lack of facilities in deprived inner cities, undoubtedly play a part in hooliganism. These are people who have got to a point in their lives where they have had enough."

He continued:

"People talk about the two nations in Britain. We know about the North and the South and about the employed and unemployed. But there is a moral order as well. There are two cultures, and one is quite discontented with the other."

Unemployment is not of itself the cause of the violence, and most unemployed people certainly do not take part in it, but it may well be that the feelings of frustration and rejection which are caused by unemployment can play their part.

Four months ago, after the Millwall-Luton violence, my right hon. Friend the Leader of the Opposition asked for an analysis of whether unemployment was at any rate a factor. A senior Minister, who was almost certainly the Leader of the House, was reported in the *Daily Telegraph* as refuting this possibility. The Minister argued:

"Supporters of Liverpool and Everton, teams in an area of high unemployment, had records of good conduct."

So they had, but three months later, whatever its causes, there was the Brussels disaster, which involved Liverpool supporters.

It is difficult to obtain any reliable statistics about random violence or——

Mr. Ashton: Will my right hon. Friend illustrate the point that heavier sentences and punishment are proving not to be a deterrent? Is it not a fact that, only five days before the Brussels disaster, one fan in Cambridge was sentenced to five years' imprisonment and it had no effect at all?

Mr. Kaufman: That was the gang leader — the leader of the pack, as I believe he was called.

There are deep-seated causes of whose nature none of us is aware. That is why I make a proposal——

Mr. David Ashby (Leicestershire, North-West) *rose*——

Mr. Kaufman: As the hon. Member for Leicestershire, North-West (Mr. Ashby) will observe, many hon. Members wish to take part in the debate. It would be wrong of me to give way any further.

It is difficult to obtain any reliable statistics about random violence, vandalism or hooliganism in society because the criminal offences involved are not easily or clearly defined. The National Association for the Care and Resettlement of Offenders has made an effort to get together some facts about vandalism by examining the statistics which are available for the offence of criminal damage. The association finds that this offence has been steadily increasing and that over a five-year period it had risen by more than one third. The report examined the figures for convictions and cautions for criminal damage and found that almost all of those involved—between 93 and 95 per cent. — were males and that the preponderant majority were aged under 21. For minor offences, nearly 90 per cent. were aged under 17.

While most youths and young men, whether employed or unemployed, are law abiding, it is disturbing that a substantial minority are prey to the temptations and exploitations that are manifested in violence at sporting events, especially football matches.

The Chelsea paper warns:

"Soccer has merely reflected the decline of society in general."

It demands that the lead in dealing with the situation

"must come from Government who came to power on a law and order platform."

The Labour party believes that there must be an urgent and expert examination of the causes of the growing violence in our society—violence which has now grown to alarming levels. Old people fear it and hide from it behind the lace curtains of their homes. Young people are often the main victims of it. The nation is sick at heart as it reads of it and watches its most dramatic outbursts on television screens.

We cannot afford simply to tinker with the problem. We cannot afford simply to denounce it. Strong or even strident words have never solved any problem. We must find out what it is, why it has arisen and not only how it can be stamped out, but how its causes can be dealt with and, if possible, removed. The people of this country yearn to feel safe, not only when they attend football matches, but in their villages, towns and cities, in their neighbourhoods and homes. It is the duty of this House to do everything in its power to bring about in Britain an orderly, free and peaceful society, and to that objective we in the Labour party firmly dedicate ourselves.

4.51 pm

Sir Bernard Braine (Castle Point): I welcome the Bill and commend the Government for taking swift action to combat football violence following the tragedy in Brussels. I also heartily support the warm tribute that my hon. Friend the Member for Littleborough and Saddleworth (Mr. Dickens) paid to our right hon. Friend the Prime Minister. I would judge that the personal interest that she has shown has played a part in getting this measure so quickly before the House. Even so, it is a great pity that 38 people had to be killed and 200 people injured in Brussels before this House had the opportunity to study such a measure.

I have some criticism of the Bill, but I wish to make it plain that it is not directed solely at the Government. Unlike the right hon. Member for Manchester, Gorton (Mr. Kaufman), I do not believe that the rot began with the advent of the present Administration. For some years now, successive Governments have presided over a gradual deterioration in social behaviour. Hon. Members on both sides of the House have warned time after time that that is linked with a marked increase in alcohol consumption.

The right hon. Gentleman may be right in his analysis of what is going wrong with a growing section of British

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society, but there is still a failure to look at the problem in the round. Throughout the 1970s and since, Governments have been constantly advised by social and medical authorities, by the Royal College of Psychiatrists and by their own advisory commitee on alcoholism—which was disbanded five years ago—of the need to tackle the growing social and health problems arising from alcohol consumption.

The measures taken in Scotland in 1981 to tackle the problem should have been extended to the remainder of the United Kingdom. They were not extended because no one at that time was prepared—and I am beginning to doubt whether anyone is now—to see the problem in the round.

Mr. Robert Maclennan (Caithness and Sutherland): I hope that the right hon. Gentleman is not overlooking the fact that in January 1981 a number of hon. Members from all parts of the House presented a Bill that would have achieved the purposes of this Bill. It was led by the then Member of Parliament, William Whitlock, and supported by Mr. Jack Dunnett, Mr. Tom Bradley and the hon. Member for Harborough (Sir J. Farr). The Government blocked that Bill.

Sir Bernard Braine: I am not overlooking anything of the kind. I paid a special tribute to hon. Members in all parties who, over the years, have directed their attention to the problem. However, the powerful interests involved have prevented timely action being taken. Even now I am not sure that the full implications of alcohol abuse—of which football violence is only one manifestation—have been grasped.

The one common denominator in violence, not only on football terraces but in other sports too, is alcoholic drink. I was shocked by some of the levity shown earlier in the debate. We are debating an extremely serious subject. I recall that when I was chairman of the National Council on Alcoholism, I repeatedly told the House that the common denominator in most crime, in marital break-ups, in fatal accidents on the road—especially among the young — in non-accidental injuries to children, in football violence, and in hooliganism was drink. That is a fact that is reported by chief constables year after year. What is more, Select Committees of this House have reported that fact. My hon. Friend the Member for Suffolk, Central (Mr. Lord) shakes his head, but he has not been in the House long enough to know that Select Committees have repeatedly drawn attention to the problem. Until the Government recognise the need to curb alcohol consumption, we shall continue to experience more and more social disruption, of which football violence is only one manifestation.

Mr. Ewing: The right hon. Gentleman is pursuing an important and interesting point. Has it occurred to him that immediately before the Government introduced legislation in Scotland to deal with alcohol at football matches, we had reformed our licensing laws and considerably extended the hours during the day when people could drink? We in Scotland would argue that we have made drinking a much more relaxing pastime than it was previously. Is the right hon. Gentleman in favour of that? The Erroll report has been on some shelf in the Home Office for about 10 years. Is the right hon. Gentleman in favour of reforming licensing laws in England and Wales in an attempt to alleviate the problem that he is highlighting?

Sir Bernard Braine: If I went too far down that road, Mr. Deputy Speaker, you might feel that I was straying from the purpose of the Bill. However, the hon. Gentleman has made a perfectly valid point, and I shall touch briefly upon it later in my speech.

The right hon. Member for Gorton made an interesting speech, and he referred to factors such as unemployment, the disillusionment of the young and their disaffection with authority as being major reasons for anti-social behaviour. I do not necessarily dissent from that. However, it is interesting to note that during a comparable period of unemployment in the 1930s, there were no reported cases of football violence such as we have today. Might that not be due to the fact that alcohol consumption then was at its lowest point in the history of our country? Today, consumption per head of the population is five times higher than it was in the 1930s. It is now nearly as high as at the turn of the century when Governments were obliged to take measures to curb the endemic disorder of alcohol abuse.

It is for that reason that we must view the Bill against the backcloth of the Government's alcohol policy—or, to be more precise, their lack of policy. If we demand action from the Football Association and from football clubs, the Government must take similar decisive action that complements rather than complicates their responsibilities. Indeed, it is the lack of a national alcohol control policy that exacerbates the problems facing football clubs.

Mr. Tony Banks: Does the right hon. Gentleman agree that it is rather odd for the House to be discussing this subject and for him to be using the language that he is using when licensing hours in the House of Commons are non-existent? Are we saying that others should be controlled, but we can have total licence?

Sir Bernard Braine: "Odd" is perhaps an odd word to use. I have never agreed with such licence, but I would not presume to lecture my colleagues on that matter. That surely is a matter for the House to put right if it has the will.

The problem has not come upon us suddenly. When reviewing the failure of the 1967 drink-driving legislation, the Blennerhassett committee made the following observation:

> "We feel it must be recognised that the growing abuse of alcohol is a major factor in the declining effectiveness of the 1967 Act."

We should therefore consider the Bill against a background that is worse now than that contemplated by the Blennerhassett committee.

The evidence is clear that alcohol consumption among the young is now a matter of great concern and is likely to get worse. I understand that a recent survey carried out by the Office of Population Censuses and Surveys, which is not yet published, will confirm that. If we are seeking an explanation of the increased drinking among the young, how can we ignore factors such as advertising and the promotion of alcohol? I am appalled that the Football Association and the football clubs openly seek sponsorship from the manufacturers of the products that Parliament is now being asked to prohibit from the terraces.

Those of us who have worked on the problem of alcohol abuse have long deplored the efforts of the drink industry

to sponsor football teams both nationally and locally. In 1979, the England team chose a most inappropriate time to reach a commercial agreement with a leading national brewery. The hon. Member for Bassetlaw (Mr. Ashton) might like to know that, ironically, at the moment when that agreement was being sought, the Football Association was demanding tough measures from the Government against soccer hooliganism. The Government were responding by introducing the Criminal Justice (Scotland) Act 1980. At the very time when Parliament was attempting to alleviate the problem of violence on football terraces in Scotland, the England team was willing to enter into drink sponsorship.

Mr. John Carlisle *rose*——

Sir Bernard Braine: My hon. Friend has intervened several times. When I finish making my point, I shall give way.

I said at that time, in my capacity as chairman of the National Council on Alcoholism, that such sponsorship was untimely, unwelcome and unhelpful and showed gross social irresponsibility and a complete neglect of social reality.

Mr. John Carlisle: I am glad that my right hon. Friend has referred to social responsibility. Many people in the drink industry would totally refute his remarks. Although some money goes into the sponsorship of major clubs, a vast amount of money from the drink industry goes to youth clubs and to those who are trying to promote the young in sporting activities. My right hon. Friend must acknowledge, that although some of the money goes into senior clubs where such problems might occur, much of it is being used for training the young in sporting activities.

Sir Bernard Braine: It would have been better if my hon. Friend had not intervened if his line of argument is that, because evil is being done in one area, the pill may be sweetened by making a contribution to some worthy cause. That is a frightening argument, and I reject it.

However—this will interest my hon. Friend—after discovering that the same brewery was negotiating a renewal of the contract to which I referred, the Institute of Alcohol Studies wrote to Mr. Ted Croker of the Football Association — well before the Brussels tragedy — requesting that the sponsorship contract should not be renewed. Mr. Croker did not reply. Instead, a reply came from the association's press officer, who informed the institute that the renewal of the contract was not a matter for the association, because the contract was with the team, so the letter had been passed to the players' pool. Two months later the institute has still not received any reply.

I am informed that, in conversation with a journalist, a representative of the brewery to which I have referred claimed that it did not accept that alcohol was the cause of the violence. Sponsorship of football clubs by drink companies is clearly designed to associate the consumption of alcohol with youth, glamour and sporting success, though every first-rate sportsman knows perfectly well that it is death to achievement on the sports field to consume alcohol in excess — *[Interruption.]* Indeed I would remind my hon. Friends that such associations are forbidden by the Independent Broadcasting Authority's code of advertising standards and practice. However hollow those associations now appear in the wake of the tragic events at Brussels, in my view, the continuation of that form of promotion displays both a cynical disregard for truth and irresponsibility of an advanced order. It seems that that which is prohibited on the terraces can be emblazoned on the field.

There are other voices that the House and the country should heed. Addressing itself last week to the promotion and advertising of alcohol, the British Medical Association —the advice of which I prefer to accept on this matter than that of the drink industry—gave us a clear, concise and courageous lead. It is a pity that my right hon. and learned Friend the Home Secretary has not incorporated that advice into the Bill.

Thus, with regard to the linkage of football violence with the consumption of alcohol, I am bound to say that, in my opinion, the Bill does not go far enough.

One particular point has been raised by other hon. Members in interventions, but I should like to make it again. It is both absurd and socially offensive to allow loopholes whereby drink is barred from the terraces but not from the directors' boxes. Nothing is more ridiculous, unfair or divisive than that a special category of people should be exempted from the general rule, which, quite properly, is to be applied in future in and around football grounds. The directors and managers of football clubs should be required to set an example.

The Bill genuflects — I troubled myself over that word — to the power of vested interests. I have to assume that its less than even-handed approach reflects the views of the drink industry and its determination to enhance its profits by encouraging more consumption——

Mr. Tony Banks: It gives a lot of money to the Tory party.

Sir Bernard Braine: I am being consistent. I have said that in the House year after year, and have had a great deal of support from hon. Members on both sides of the House.

The clubs appear to be no better. Instead of some of them parading their grievances before the High Court, feeling that they are being treated unfairly by bans, justifiably imposed, the club directors concerned should have displayed their willingness to take the lead and set an example by banning alcohol from their boxes. I fully recognise the point being made by several hon. Members about how much clubs fear they will lose financially by a uniform ban. No doubt the leasing of private boxes where business firms can entertain their guests and ply them with alcohol is a lucrative source of finance. I am told that there are top league clubs that derive incomes of £200,000 a year from such leasings. Yet I am not convinced that such clubs would lose out by banning alcohol. If they did, then the leaders of business and football need to question the example that they are setting the young.

Once upon a time, whole families used to go to football matches. I am glad to see that I carry the hon. Member for Newham, North-West (Mr. Banks) with me. They went to watch the game and to enjoy the skills of the players. In one sense, it was an alternative to drinking. The joy and exhilaration of the football match itself was an alternative to becoming sodden in drink. Now it appears that drink is replacing football for some who attend. One wonders which is the ancillary activity. Perhaps the hon. Member for Newham, North-West can enlighten me. It is a prime example of the way in which alcohol permeates and controls our social life. Some football clubs seem to be as dependent on alcohol as any alcoholic.

[Sir Bernard Braine]

I ask my right hon. Friend the Home Secretary to think again about this exemption. It is wrong. I ask him to stop dilly-dallying. I ask him to stop tying a bandage when what is needed is a tourniquet.

Those of us who have sat in several Parliaments—and there are some of us who have been here for a good many years — have heard Ministers of both parties expressing their commitment to addressing the problem of alcohol abuse, but know that no firm, direct or decisive action has followed. Over the past 20 years we have in the House permitted, almost in a fit of absence of mind, a gradual relaxation of restrictions on the availability of alcohol. Reference has been made by one hon. Member to the point of sale as being pubs and clubs. No mention has been made of supermarkets. At a single stroke, it is possible for people, who never enter a pub or an off-licence, on impulse to buy off the shelves in supermarkets.

We have encouraged the proliferation of such outlets, and are still doing so. Alcohol has actually become cheaper in real terms. What other commodity in our lives has become cheaper in real terms over the past 10 to 15 years? Throughout this period, the drinks industry has spent massive sums, not only on doing the good works mentioned by my hon. Friend the Member for Luton, North (Mr. Carlisle), but on advertising in the press, on radio, on television and on the sports field. We have colluded with its message of manliness and glamour, its indispensability to the good life and material success. Should we be surprised that the chickens are now coming home to roost?

I pose a serious question. What point does alcohol abuse have to reach before we are prepared to curb consumption? Must we reach the appalling level that has already been reached in the Soviet Union and France? Some 20 per cent. of all beds in National Health Service hospitals are occupied by people suffering from alcohol-related disease. The comparable figure in France is 40 per cent. Are we to move down the league to match France? This country was once famed for its sobriety and our licensing laws were considered by many overseas who were worried about alcoholism to be a model. This is no longer so.

It would be churlish not to thank the Government for recognising the need to control the availability of alcohol at least in one place—on the football terrace. However, I must warn them that only when they have the courage to accept the need to work out a national control policy on alcohol consumption and availability will they solve a problem that is growing in economic cost, health harm and social misery.

5.14 pm

Mr. Tom Pendry (Stalybridge and Hyde): I recognise that, given the current climate surrounding football, hooliganism and violence, it is right for this or any Government to take this problem seriously and to act responsibly and positively to combat it. The trouble is that this Bill will not do much about the problem. The law-abiding public — that means the genuine, law-abiding football public—will not find much comfort in this Bill. My right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) made a convincing case for not supporting some aspects of the Bill, although he is facilitating it, and I understand his reasons for doing that. However, he does not carry me with him on certain parts of the Bill. I shall explain why, and I am sure that some of my hon. Friends will agree with me.

I recognise and welcome the fact that the Government, at long last, are waking up to the problem that many of us have seen for many years. Many of us have argued for action to be taken in this sector in the past three years or so. However, we have not advocated the course of action set out in the Bill. If we had been listened to, football would have been in a more healthy state than it is today.

We have just been reminded by the hon. Member for Caithness and Sutherland (Mr. Maclennan) that Mr. Jack Dunnett, the current president of the football league, when he was a Member of the House, supported a measure with many of the provisions which are contained in the Bill, but it was blocked by the Government of the time. That shows that those responsible for football have for many years tried to take the Government with them in trying to solve this problem. Therefore, the Government must recognise that these problems have been with us for some time. The Government are a late riser, looking at this problem like a drunk through the haze. They are over-reacting and are not seeing the position clearly. The result is this legislation.

We can exaggerate the problems in football, and the Government are doing so. In the debate we must have clearly at the back of our minds the fact that it is the violent minority within the community that it is attaching itself to football and causing the problems in that game. The reasons are fairly obvious. Football is our national game, it attracts a great deal of media coverage and these hooligans do not need to spend a great deal of time on a Saturday afternoon to cause havoc. Equally, they have little chance of being detected at the moment.

I emphasise that violence at soccer games is caused not by football but by society and by a number of factors, some of which my right hon. Friend the Member for Gorton spelled out. The overwhelming majority of football clubs had little or no problem with hooliganism or violence. Some 2,500 league and cup games are played every year, and most occur without serious incident. We have recently been reminded that only eight games last year had to go to the FA for inquiry. Therefore, we have to see the Bill in the proper context of football and not over-react to it.

Nobody would ever condone — this is why I understand why my right hon. Friend the Member for Gorton has been able to assist the Government in this—the activities that have gone on in certain grounds in this country and abroad. We were all appalled at what happened at Birmingham, Luton and Brussels. We must do something about the matter, but we must consider it in its proper context.

I must declare an interest. As is probably obvious, I am a soccer buff. I am a shareholder—my hon. Friend the Member for Bolsover (Mr. Skinner) would be falling down at this stage — of Hyde United football club. Perhaps even worse in some eyes, I am a shareholder in Derby County football club. I am chairman of the parliamentary Labour party sports committee and the all-party football committee. Hon. Members may not think that I speak with an expert voice, but I speak with a passionate voice. Members of the all-party football committee are worried. Some of them are present, such as the hon. Member for Broxtowe (Mr. Lester), my hon. Friends the Members for Newham, North-West (Mr. Banks) and for Bassetlaw (Mr.

Ashton), and the hon. Member for Fulham (Mr. Stevens). My hon. Friend the Member for West Bromwich, East (Mr. Snape) has temporarily left us.

Mr. Tony Banks: He has gone for a drink.

Mr. Pendry: We have some sharp wits on our committee. For many years we have been worried about the effects of the Scottish legislation spilling over into England and Wales. Unlike the hon. Member for Castle Point (Sir B. Braine), we were so worried about the matter that we saw the Home Secretary in 1981, Viscount Whitelaw. It was the easiest deputation that I have ever experienced. It was like pushing at an open door. Indeed, some of the choice things that Lord Whitelaw said about Scottish Ministers cannot be repeated. He saw clearly that the legislation would not be relevant in England and Wales. He believed that Scotland was a different case from that which we are discussing today—surprise, surprise.

After our meeting with Lord Whitelaw, we heard some mutterings from the Minister with responsibility for sport, who was a little worried that the Government had changed their mind. We give him credit for that. We wrote to the present Home Secretary in 1983. I am sure that he will not mind if I quote from a letter that he wrote to me in June 1984:

"I can assure you that the views you expressed when you met Willie Whitelaw in March 1981 to discuss this question were conveyed to Neil MacFarlane and I believe that the current Government policy reflects the common-sense view which you put to Willie then of the degree to which alcohol consumption is a contributory factor to football hooliganism. The guidelines issued by the Liaison Group, to which Neil's letter refers, suggest to clubs how best the sale of alcohol might be controlled if it is a problem for particular clubs and I am sure it is right that such advice should be available. Equally I should agree that it would be wrong to introduce legislation banning alcohol entirely unless it can be demonstrated that such a step was warranted by evidence of large scale alcohol-related hooliganism. In this respect I am particularly mindful of the different patterns of alcohol consumption as between Scotland, where legislation was deemed appropriate, and England and Wales where, on the whole, the alcohol problem is less."

Sir Eldon Griffiths (Bury St. Edmunds): As an historic footnote, immediately before and immediately after the hon. Gentleman's deputation to Lord Whitelaw, the Police Federation and I saw the Home Secretary and said precisely the opposite. We said that it was time to introduce such legislation. The hon. Gentleman and his team prevailed and my team lost, but in the event we have been proved right.

Mr. Pendry: I should like to show that the Home Secretary was right and that the hon. Gentleman—as is generally the case—was wrong. However, in his letter, the Home Secretary implied that legislation would not be introduced unless something changed. The big change since that time has been the Prime Minister's involvement. The Prime Minister is responsible for the reaction of her puppets on the Front Bench. Of course, her deep, long-standing interest in football problems is well known. She is wielding the big stick on this occasion.

Every member of our committee and I am sure most hon. Members recognise that there is a relationship between alcohol and hooliganism. We have agreed on that all along. In many ways, we wish to make the Bill tougher. We recognise that alcohol is responsible for the mindless acts that took place at those much-quoted games and at many others. Anyone who has studied the matter in depth knows that consumption of alcohol at the ground is not the problem. Anyone who gets more than two pints of beer at a ground is lucky and deserves a star.

The Bill is not tough enough. I criticise my right hon. Friend the Member for Gorton for not telling the Government that. However, I agree with my right hon. Friend that the Bill does not deal with the problem. Much of the problem stems from the sale and consumption of alcohol outside the ground. We should concentrate on that and try to eliminate it. Hon. Members on both sides of the House have joined me in trying to toughen the Bill with amendments.

A central weakness of the Bill is that it loses the flexibility exercised by football clubs, the police and magistrates at sensitive games. I have received a letter from Manchester United, stating:

"The police have on several occasions asked that alcohol should not be served in certain parts of the ground, and this has been done without question."

For many years, the police, magistrates and clubs have acted sensibly to ensure that we did not have problems similar to those in Scotland. The difference in Scotland was clear. The grounds were dry, and spectators who wanted to drink were fored to go there with alcohol on their persons. After they had drunk from bottles, they would throw them away, which caused many problems. They have now been almost eliminated, but we remember the problems at recent games between Hibs and other clubs. But the legislation has helped. Until now, we have relied on the good sense of the police, magistrates and clubs to close bars during sensitive matches. Now that the Prime Minister has left the Chamber, perhaps the Minister who will reply to the debate can talk more freely about the problem.

I should like the prohibition in clause 1 to be extended beyond trains and buses to aircraft, ferries—we wish to have clarification of this point when the Minister replies —mini-coaches and hired vans. We hope that parts of the Bill can be toughened and other parts removed.

Central to the concept of the Bill is that the consumption of alcohol at football grounds is responsible for hooliganism. All the evidence gathered by the all-party football committee and those who have considered the matter shows that that is not the case. We must tell the Prime Minister that, when this part of the Bill fails, as it must, it will be her responsibility. She will have to bear the brunt of the criticism that will come as a result of failing to meet this challenge, while at the same time crucifying many football clubs.

It is ironic that many of the clubs which are doing all the things that the Prime Minister asks of them, such as improving policing and safety, installing closed circuit television and issuing membership cards—there are a number of views about that—will be hammered most by the Bill. We must ask the Prime Minister to think again.

The Home Secretary named three games which spurred the Government into action — the Birmingham-Leeds game, the Luton-Millwall game and the infamous Liverpool-Juventus game. It is ironic that all the grounds at which those matches were played were dry. No alcohol was purchased in any of them. There are many other such grounds. The Government should tune in to that fact. We have this rushed legislation because the Government are convinced that alcohol consumption at grounds was a main

[Mr. Pendry]

cause of the trouble at those games. Clearly, it was not. That is a well-known fact, and I hope that the Minister will refer to it.

The Prime Minister, for all her talk about delegating responsibility, is usurping the powers of the police, the magistrates and the clubs to do what is sensible and flexible. I hope to nail the myth that the Scottish experiment is well tried and that drinking at grounds is a contributory factor. In Scotland only one ground — Clydebank—had a problem connected with drinking at the ground. That club got round the problem by putting blinds round its social club. I am told that the legislation will not cover executive boxes. An Opposition amendment has been tabled to deal with that. Poor Clydebank will be caught out.

A salutary fact is that on cup final day on 18 May this year two games of note took place. One was at Hampden Park—a dry ground—and the other at Wembley—a wet ground. About 80,000 people were at Hampden Park and 100,000 at Wembley. More arrests took place at Hampden Park, proportionately, than at Wembley. If the Government are not convinced that part of their Bill is nonsense, I hope that that will make them think again.

I ask the Minister of State to clarify one or two matters. It might be flippant, but I must ask the House to consider what will happen at an executive club house with a menu consisting of such fare as lobster bisque with brandy, coq au vin, sherry trifle, gaelic coffee and brandy snaps. It is obvious that people will be able to get round the regulations. I ask the Government to think about that.

The Home Secretary talked about readjusting boxes so that they do not overlook the ground. Can the Minister of State clarify that, because it does not seem to be logical, or even possible? The Home Secretary talked about the difference between being out of sight of the pitch and having a direct view of the event. What did he mean by that? Is one-way glass a serious proposition?

It is possible that 19 clubs will be penalised. Possibly more than £4 million is involved and many of the clubs are doing everything that has been asked of them. The Government are rushing through the legislation and the Lords are due to examine it tomorrow. Many hon. Members know something about football and have not been rushed into forming an opinion. They have been talking to the clubs and the football authorities for many years. I hope that the Government will listen to them. I hope that the Bill will be amended so that it is more sensible.

We do not wish to give the impression that we are opposed to some of the good provisions in the Bill. I am making a short speech and can deal only with contentious matters and with how the Government have gone wrong. I hope that the Government will pay attention to hon. Members on both sides who have a genuine interest in our national game.

Millions of our constituents go to football games. We have a duty to ensure that the law-abiding, genuine football fan is not prohibited from seeing good games in good conditions. I want the Government to take on board the genuine cross-party feeling on the subject before the legislation is passed.

5.38 pm

Mr. Michael Colvin (Romsey and Waterside): The House will have heard the speech of the hon. Member for Stalybridge and Hyde (Mr. Pendry) with interest, knowing his knowledge of football, and accepting his experience as joint chairman of the all-party football committee and his declared interest in two football clubs. His speech might be regarded as being a little like the dance of the seven veils. He seemed fundamentally to be in favour of the Bill, with the reservation that if it were not tough enough the Home Secretary would have to introduce further measures. I applaud that view. However, the hon. Gentleman seemed one by one to throw away his criticisms of the Bill. At heart I believe that we are at one, but I appreciate that because of the hon. Gentleman's vested interests he concludes that all the evils in football occur outside the ground rather than inside.

I have an interest to declare as parliamentary adviser to the National Union of Licensed Victuallers, which represents the proprietors of public houses in England and Wales, both tenanted and free. I am also a licensee. My pub is called the "Cricketers Arms", not the "Footballers Arms". I am glad to see that the only other licensee in the House, my hon. Friend the Member for Gillingham (Mr. Couchman), is in the Chamber.

With authority I can say that licensees welcome the Bill. We think that it is long overdue. For the last 14 years, since the Erroll committee reported, we have dithered over the introduction of more flexible drinking hours. Our present licensing laws are ridiculous and not only damage our licensed and tourist trades but aggravate the problem which the Bill is designed to stamp out.

The debate on flexible hours is coming to an end. Scotland blazed the trail with flexible hours some years ago and I hope that England and Wales will follow. The licensed trade therefore needs a bad press now like it needs a hole in the cellar. Yet today alcohol gets a very bad press. The papers say that it is an aphrodisiac of violence and that it is common knowledge that soccer hooligans get even nastier after a few cans of beer.

Mr. James Couchman (Gillingham): I thank my hon. Friend for his kind reference to me earlier in his speech. I have an unashamed vested interest, as I have the licence of a public house within half a mile of Stamford bridge, Chelsea's football ground. I should like to nail the lie that licensees look forward to football games with keen anticipation, hoping to make a killing once a week. They do not. They look forward with hatred and loathing to those days. They have to care for their regular customers in their public houses, and many of them, like my manager at Fulham, have to stand by a locked door and allow in their regular customers.

I was hurt by the words of the hon. Member for Liverpool, Mossley Hill (Mr. Alton), who called for pubs to be closed on match days. Licensees do not want football hooligans in their pubs. They take a responsible attitude and recognise that magistrates have powers to close public houses when particularly sensitive matches are staged.

Mr. Colvin: I thank my hon. Friend for his valuable intervention. Both he and the manager of his pub would agree that we need a reduction in the ever-increasing number of unsupervised outlets where people can buy liquor. My right hon. Friend the Member for Castle Point (Sir B. Braine), as always, over-egged the pudding a little.

No one could call his speech a trifle — there was certainly no sherry in it — but he made the extremely valid point that it is now easy for young people to get alcohol from unsupervised outlets.

Sir Bernard Braine: The intervention of my hon. Friend the Member for Gillingham (Mr. Couchman) and the points which my hon. Friend the Member for Romsey and Waterside (Mr. Colvin) is making are valuable contributions to the debate. They emphasise the sharp distinction which should be made between the public house, which is one of the glories of an English tradition and national life, where drinking is conducted under controlled conditions and where the licensee knows that he is in danger of losing his licence if his house is not an orderly one, and the ease with which successive Governments have permitted alcohol to be sold in less controlled conditions.

Mr. Colvin: At this rate, my right hon. Friend may be invited to address the next annual conference of the National Union of Licensed Victuallers.

The licensing trade supports the Bill and tougher sentences for football thugs, but it feels that prevention is far better than cure. I shall make four suggestions which will help to prevent further drunken football thuggery.

First, over the 10 years from 1970 to 1980 there has been an enormous increase in the number of off-licences, to which hon. Members have already referred. That figure has risen by a full third over that period by 11,000 to 42,000. These outlets do not just include supermarkets. The ordinary corner shop now sells drink, and even garages are retailing alcohol. We would like to see fewer off-licences, but the trend still continues upwards. That is where much of the drink problem lies. If the number of off-licences was reduced, football violence would be reduced also. That is a matter for the licensing magistrates, but my right hon. and learned Friend the Home Secretary should give guidance along the lines that I have suggested.

Secondly, the time when coaches and football specials arrive in towns should be closer to match kick-off. At present, crowds begin assembling far too early, sometimes even the night before a match. The neighbourhood around the football ground becomes terrorised, even with opposing supporters setting up no-go areas. That is a matter for my hon. Friend the Minister with responsibility for sport to rectify.

Thirdly, I should like to see the closure of all off-licence outlets on match days, especially during the morning. Such a policy need not apply to public houses, because licensees are proud of their professional approach to selling drink and uphold the law. They can already refuse to supply potential hooligans, but would wish to continue to sell drink to their regular and responsible customers. If the closure of pubs near football grounds is contemplated, licensees who enjoy a close relationship with their local police force feel that there should be discussions with them beforehand. That is a matter for my right hon. and learned Friend the Home Secretary. I hope that he will give guidance to both magistrates and police forces.

Fourthly, our dotty licensing laws are also partly to blame for the problem of football hooliganism. Spectators tank up before a match because too often the pubs and shops are shut after the game is over. They may tank up to a greater extent if alcohol is banned on the terraces. The time to enjoy a drink is while relaxing afterwards, either to celebrate a victory or to drown the sorrows of defeat, but our present drinking hours may prevent that. I look forward to a future Bill which will revise our licensing hours.

In conclusion, my right hon. Friend the Prime Minister declared that we should put our house in order through persuasion, prevention and punishment — three Ps, to which I would add a fourth, the publicans. They will back the Prime Minister fully in this task. That is why I support the Second Reading of the Bill.

5.47 pm

Mr. Robert Maclennan (Caithness and Sutherland): When he opened the debate the Home Secretary said that this was one of a series of Government measures to tackle the disturbing and unacceptable trend of hooliganism both in football grounds and spilling over after football matches into the public domain.

I begin by expressing my appreciation of the Home Secretary's courtesy in offering my hon. and learned Friend the Member for Montgomery (Mr. Carlile) the opportunity of some foreknowledge of the Bill and consultation on its contents. The Bill is necessary, though perhaps not ideal. It is necessary because the connection between excessive alcohol consumption at football grounds and violence both in the grounds and in their vicinity is obvious.

I do not entirely understand the point made by the hon. Member for Stalybridge and Hyde (Mr. Pendry) about the difference between the position in Scotland and that in England and Wales. It is true that no alcohol was sold at football grounds in Scotland, but it is also true that large quantities of alcohol were consumed at Scottish grounds. A great deal of alcohol used to be consumed by people not only before they went into football grounds but from cans and containers that were taken into the grounds. That made it imperative to introduce legislation in Scotland. It was observed by the committee chaired by the late Frank McElhone that it was the presence of alcohol at Scottish football grounds that made it necessary to ban the consumption of alcohol there. The fact that alcohol was not on sale was a secondary consideration.

Mr. Ewing: Memories are short. The background to the setting up of the McElhone committee was a match played not in Scotland but in England. It was a Rangers-Birmingham game, which was played in Birmingham, where there was exactly the same trouble as occurred during the Luton-Millwall game. It was during the week following the Rangers-Birmingham game that my right hon. Friend the Member for Glasgow, Govan (Mr. Millan) decided to set up the working party.

Mr. Maclennan: I do not dissent from the hon. Gentleman's correct statement about the provenance of the committee, but in considering what the law should be I am more impressed by the report of Frank McElhone and his committee, which said:

"Nearly all those who gave evidence were firmly of the view that a strong relationship exists between alcohol and violence and that a good deal of the disturbances associated with football is due to the amount of alcohol consumed before, during and after matches."

The report contained no reference to alcohol not being available for sale. It was the consumption of alcohol that made it necessary to legislate. It was correct to do so and

[Mr. Maclennan]

the Criminal Justice (Scotland) Act 1980 has been a success. Its success has been commented upon by chief constables — notably by the chief constable of Strathclyde in his 1983 report. This was before the current round of violence, which has given rise to great anxiety and led to the introduction of the Bill.

When he introduced the Bill, the Secretary of State for the Home Department did not place it sufficiently in context. It is partly for that reason that its provisions are less welcome to some of those who will be directly affected financially than it would have been had he been able to spell out his attitude towards the financial consequences.

I differ from the right hon. Member for Manchester, Gorton (Mr. Kaufman), who implied that the Government should not have legislated at this time. I do not believe that it would have been possible for the Government to conclude precisely what all the financial consequences would be, stemming from the need to take account of the findings of the Popplewell inquiry, never mind the problems associated with drink. These matters should not be separated. It would have been unreasonable to expect the Government to come forward with a proposal in the round relating to the future of football which had been dreamed up in the last four months. I am not greatly impressed by those who now call for that kind of overall disposition, because in the past they had the opportunity to move in the direction which they now advocate.

It is right, however, to try to set the proposals contained in the Bill in the kind of framework in which the sport of football ought to be set if this is to be a better regulated and financially healthy sport which is not only open to all who wish to watch football with pleasure but which causes no disturbance to the neighbouring communities.

My view is that it would be appropriate to establish for the football industry a new licensing board, created by statute, and that it should be set up with the purpose of licensing outdoor sports grounds. It would take over the powers currently exercised by the county councils, and regional councils in Scotland, relating to ground safety. It would also have extensive powers to impose conditions on football grounds for crowd control. The board would be empowered to call on existing experts, including the police and the Health and Safety Executive, to inspect the grounds and to report to it.

In addition, a national board is needed now that the Greater London council and the metropolitan county councils are to be abolished and their powers over sports ground safety transferred to joint boards. District and borough councils are unable properly to regulate sports grounds. They would probably come under considerable and perhaps irresistible pressure not to impose conditions upon popular local sports clubs which might threaten their financial viability.

Furthermore, a national body has the advantage of being able to build up a body of experience which it can apply in particular cases. The board would have to be satisfied in each case that the safety standards were adequate and that each ground had taken all reasonable steps to contain hooliganism. The board would have the responsibility of requiring particular measures to be taken which were appropriate to the circumstances within each ground before issuing a licence, and where a serious disorder occurred the board would have the power to remove the licence for a specified period. Such a system would result in greater flexibility than is possible under a general provision of law of the kind that we are considering today, which will operate across the board and with very little local option. It would also take account of the record of clubs where there has been no trouble.

Although there have been about 4,000 arrests and prosecutions each year, perhaps half of them arising in England and Wales from incidents inside the ground, and about half of them from incidents outside the ground, attendances at football matches run into many millions —about 16 million, although the number has declined rapidly in recent years. The number will decline more rapidly unless hooliganism and the other problems that afflict the sport are tackled.

I hope that when the Government receive the report of the Popplewell inquiry they will examine the financial future of the industry and recognise that it is insufficient to expect the consequences of the necessary measures to promote safety and avoid hooliganism, which have a financial impact, to be dealt with by recourse to the Football Grounds Improvement Trust, which has wholly inadequate resources for the purpose. The financial resources that are available to it are suitable only to tide over the sport until a better financial basis is made available.

A great deal of money is taken from the football industry—about £200 million in football betting dues and a substantial amount in value added tax. Some of that money will have to be forgone by the Treasury if the sport is to be put in order. The right hon. Member for Gorton referred to the introduction of a levy system comparable to that in horse racing, but a further direct imposition on the sport would add to its problems, not ameliorate them.

Mr. Ashton: Is the hon. Gentleman aware that in 1972 I introduced, as a ten-minute Bill, the Football Betting Levy Bill and that at long last it is coming to pass?

Mr. Maclennan: We have not heard from the Government whether they are sympathetic to this proposition, though I acknowledge the long-standing consistency of the hon. Gentleman in putting this forward.

I think that we need some explanation of why the Government did a volte face on the merits of this proposal. As I mentioned in an intervention, a Bill containing provisions comparable to these was presented to the House by William Whitlock, supported by Jack Dunnett, Tom Bradley and the hon. Member for Harborough (Sir J. Farr), in 1981, but it was blocked by the Government without any explanation. It would be helpful if the Government would explain how they have come to stand on their head on this issue. Only last year, they commended the findings of the working party which recommended against the introduction of a ban on the sale of alcohol and on the possession of alcohol inside sports grounds.

I am always delighted when the Government do a U-turn into the direction along which I have been travelling for some time. I hope that we can take them in our wake on many other issues concerning the prospects of football. The Government did a remarkable about turn, but their complete conversion was not explained at all. We are forced to read between the lines. It would seem that it was

simply the appalling events at Birmingham, the Luton-Millwall match and at Brussels which jogged the Government into taking the action which I have long considered necessary and desirable.

The Bill will be considered in detail shortly and I do not propose at this stage to make detailed criticisms. I simply assure the Government that my right hon. and hon. Friends are glad that they have made this move, which we support.

6.1 pm

Sir Peter Emery (Honiton): I welcome the Bill. There is no doubt whatever about the effects that alcohol has on football crowds—sad though it may be. One has only to see the vandalism on football trains to realise that. Vandalism also occurs at smaller — non-league — matches. It was amazing to see the effect of alcohol on an amateur game in my constituency — the semi-final between Exmouth and Fleetwood. Two sets of supporters at one end of the ground did not watch the match for 20 minutes; they were more interested in having a go at one another. Those who claim that alcohol in grounds is really of no consequence cannot be living in the present.

Mr. Denis Howell: Will the hon. Gentleman help us by stating how much alcohol was available inside the Exmouth football ground and whether those people had bought it inside the ground or whether they arrived at the ground in that condition?

Sir Peter Emery: I thank the right hon. Gentleman for his interruption as I like to keep him properly informed. A special tent was set up so that alcohol could be provided at the ground. In addition, however, there is no doubt that the party of supporters who came in coaches to the match were well tanked up.

The main issue which seems to have escaped attention today is the role of directors and managers and their responsibility within the sport. Hooliganism has turned the watching of Association football on a Saturday afternoon from an enjoyable and reasonable event to which a person of any age could go—possibly as a family outing—into a drunken brawl. If people suggest that football has never been a family outing, I can tell them that I used to attend Highbury with my father and mother. They had two season tickets, and I was very lucky when my mother did not go because I did not have to go and stand in the ninepennies or the one-and-threepennies. A whole host of children went, and there was no fear about it. There were very large crowds—they were much larger in those prewar days than today. There was never any sign of the problems at football matches today.

Mr. Colin Moynihan (Lewisham, East): Is my hon. Friend aware that many clubs are taking considerable initiatives, such as family stands and areas for families, to attract them to games? Watford is a classic example, with its new family stand.

Sir Peter Emery: Yes, indeed, and I greatly welcome that. Although some supporters are open to considerable condemnation, some managements of Association football clubs are open to much more criticism. Directors and managers of football clubs tend to escape criticism, and have done so again today.

I ask my hon. Friend the Minister of State to consider two reasons why I level that criticism. One is the excessive financial demands made in the sport and the large sums of money involved, and the second is the excessive trend to "professionalism" — to the cost of the sport. By "professionalism", I mean the acceptance by players, managers and the media of what can now be called the "professional" foul. I am sorry, but a foul is a foul, and is to be condemned equally at all times. A foul is not acceptable because it might prevent a goal being scored. We must all condemn the practice of radio commentators talking of the professional foul as though it is acceptable.

Mr. Denis Howell: It is cheating.

Sir Peter Emery: The right hon. Gentleman is right, it is cheating. It is time that management and directors got to grips with the problem, and perhaps with the rules. Perhaps the number of fouls should be totted up, so that when a team had three recorded against it the opposing team automatically got a goal. Management would soon get to grips with fouling if that happened.

Mr. Eric S. Heffer (Liverpool, Walton): That is a revolutionary idea.

Sir Peter Emery: It might be a revolutionary idea, but we should consider whether there are methods by which we can stop players behaving in that way and therefore suggesting that such behaviour is acceptable. In those circumstances, is it any wonder that supporters follow suit?

Mr. Michael Lord (Suffolk, South): Does my hon. Friend agree that, when radio and television commentators accept fouls or changes in the rules, they are quickly accepted by the nation? For example, there was once a time when players appealed only in cricket, but players now appeal for corners and throw-ins because commentators accept the terminology and practice.

Sir Peter Emery: I do not disagree. The modern rush of players to celebrate the scoring of a goal, which leads to a major demonstration and the raising of arms to supporters, must encourage the atmosphere of frenzy among ardent supporters. I am glad that they have stopped the kissing though. Players are now willing to act against the rules of the game and to play with physical violence, which has never been encouraged in sport.

The drive to win at nearly any price, particularly in a major game, seems to be more important than the sport itself. It is not the slightest bit surprising that if those inclined to hooliganism follow this bad example as a basic rejection of authority in the ground, they can reject it once they leave the ground. Directors and managers could stop all this by positive leadership and control if they really set out to do so. The problem is that they have not, which is a major shame. It is spoiling a game for which I have great respect and from which I receive great pleasure.

The second difficulty is not dealt with by the Bill—the vast sums of money now involved in the sport. Many of the smaller clubs have great difficulty keeping their heads above water. With the vast sums of money earned by certain players, clubs need to win, winning being rather more important than any other aspect of the game. This has frequently led to a growth of supporters' clubs which often help to increase attendance and make a financial contribution to clubs to help them keep their heads above water. But in so doing, the supporters' clubs are contributing to the problem. A xenophobic feeling is often created by supporters' attitudes, the sales of favours and song sheets, parties to away games and their view that they are the greatest. It is not surprising when two sets of

[Sir Peter Emery]

supporters come head on shouting, "We are the greatest," that a conflict ensues. The Bill will never control such situations, and will lead to further conflict with potential hooligans.

Although the Bill will deal with part of the problem — that of alcohol abuse — it is only part. The Government cannot legislate for the action of directors and managers in the day-to-day control of an approach to the game of Association football. Positive leadership by clubs to put their house in order would, along with the Bill, make soccer a better game. It would be a positive step to benefit soccer and would increase attendances and income for the clubs. It is important for clubs to get back the right type of supporters. If they can do that, they will receive the support not of hooligans but of ordinary decent people who will contribute major financial benefits to the clubs. This action will benefit the Government, football supporters and managers and directors. That is what we should be after.

6.13 pm

Mr. Eric S. Heffer (Liverpool, Walton): I have two of the greatest football teams in my constituency. I mean, of course, Everton—I say Everton first—and Liverpool. The greatest problem over the years—I have represented my constituency for 21 years — has not been hooliganism or the sale of alcohol but complaints from people living around the grounds about the parking of vehicles during a football match. This has caused me, local councillors, local authorities and the police a great deal of trouble. The hon. Member for Honiton (Sir P. Emery) mentioned the phrase "We are the greatest". The supporters of Liverpool who come from Liverpool and the supporters of Everton who come from Everton or Liverpool and around that district all say that their team is the greatest and they make it quite clear in song and in chant. Those two football teams and their supporters have travelled to games all over the country and there has been so little trouble from supporters that it has hardly been noticed.

When Liverpool and Everton have played against each other, the red scarves and blue scarves have travelled on the same motor coaches, the same trains and the same cars, and have been in the same pubs, without any trouble whatsoever. For 21 years, the Liverpool team has played all over Europe, and when have we seen hooliganism among Liverpool supporters at any of those matches?

My hon. Friend the Member for Liverpool, West Derby (Mr. Wareing) was at the Rotterdam match only a few weeks ago where Everton was playing and there was no trouble whatsoever from the Everton supporters.

I believe that we reacted a little too quickly—as it appeared to us in Liverpool—in putting the entire blame for the problems that have been created on the people of Liverpool. I was saddened. I happen to know Italians. I have had Italian friends since the end of the war. This watch was given to me—I have said this before—by an Italian partisan with whom I have been associated since the end of the war and I wear it with pride. I am not anti-Italian, but the idea that football hooligans come only from our country is absolutely untrue. I want to put that on record.

Nobody could condone such a terrible tragedy as a result of which people died. Those of us who watched the match on television saw Juventas fans hold up a banner reading "Reds are animals". The average Juventas fan who does not understand English could not write such a banner. That was written by people who knew precisely what they were doing. Those who had scarves across their faces were wearing the emblem of certain Right-wing organisations in Italy. People on both sides at that match obviously wanted to use the situation politically.

I agree with my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) who rightly said that we need to look at the deeper causes. I do not deny for one moment that alcohol played a part in the Brussels tragedy. UEFA has a responsibility and the local authorities in Belgium have a responsibility as well as ourselves. The Greater London council sent its deputy structural engineer, Mr. Jan Korff, to Brussels on 30 May, almost immediately after the tragedy, to examine the condition of the stadium. He reported:

> "The stadium is 50 years old and all the safety installations in section Z appear to be of the same age. There is no evidence of any recent repairs to the barriers, walls, fence or terraces. The general impression is that of long-term neglect, with the exception perhaps of the pitch perimeter fence which appears to be fairly new. Under our legislation, the stadium would not have been allowed to operate."

The last sentence is very important:

> "It appears that whilst the attack by Liverpool supporters caused the panic and the resulting stampede, the main direct cause of the deaths was the collapse of the safety barriers near the bottom of the terraces."

I want to get that on the record because I do not believe that even the Right-wing element had gone there with the deliberate intention of killing anyone. People died in tragic circumstances, but we must remember that some years ago 88 people died at Ibrox Park. Did anybody set out to kill 88 people there? Of course they did not, but certain circumstances caused those deaths.

The report by the Liverpool city building surveyor, who went there on 7 or 8 June, says much the same in relation to crowd segregation barriers:

> "This composite construction, whilst forming a physical barrier, would not withstand the normal loadings or force exerted by the sideways movements of a packed crowd on a terrace."

In the summary, the following point is made:

> "The Stadium is generally 50 years old, and there appears to have been no major improvement to the level of safety standards at the Stadium, more particularly to the terraced area over that time . . . If the criterion of the 'Guide to the Safety of Sports Grounds (Football)' Code were to be applied to this particular Stadium, it is doubtful that the City Building Surveyor would be able to recommend a grant of a 'Safety Certificate' issued pursuant to the Safety of Sports Grounds Act, 1975".

I want to get that on the record, because up to now it has not been stressed enough.

Mr. Denis Howell: My hon. Friend has made an important point on the Liverpool match and the responsibility of UEFA. The Minister responsible for sport very properly complained after that great disaster that UEFA had totally ignored the advice and representations he had made and his apprehensions about the Belgian match. I have said that when I was the Minister responsible for sport I issued the same warnings to the secretary of UEFA, Mr. Bangeter, and wrote letters to him in 1979 saying that unless UEFA implemented our arrangements for crowd control, he would carry a heavy personal responsibility. I am sure my hon. Friend will accept that the very fact that UEFA put everybody in the dock—English football, Liverpool and everyone else—and has now said that no match will be played in Belgium for the

next 10 years is an admission that UEFA itself should not have placed that match in Belgium. UEFA stands condemned as much as anyone else. That body is trying to put itself in a white sheet, although it bears a heavy responsibility.

Mr. Heffer: I thank my right hon. Friend for that intervention. I was about to make the point that the *New Civil Engineer* of 6 June said:

"The match should never have been played at the Heysel stadium. The arena breaks all European footballing safety rules and ignores entirely the lessons of Ibrox Park, Scotland, where 66 people"—

I thought it was 88—

"died in very similar circumstances in 1971 . . . Investigations by *NCE* have shown complete confusion over who, if anybody, was responsible for checking structural safety at the Belgian stadium."

I do not support anyone who got involved in violence. I do not support the people who charged across the barrier. I do not condone any of that, but if that had happened in a stadium in this country it would have been controlled and there would have been a different outcome. There would not have been the terrible loss of life that happened in the Belgian stadium.

I asked people in Liverpool who had been at that match to write to me. I did not want people who had not been there to express opinions. The *Liverpool Echo* published 120 letters that it received and I got 30 or 40, or perhaps 50. I went through those letters carefully. Practically all of them pointed out that, before the match, there had been a carnival atmosphere. Certainly there was drinking. Supporters were drinking together and were exchanging scarves, favours and so on, as they would have done at a match in Liverpool between Everton and Liverpool.

I was told in the letters that there was a spirit of friendship. We must remember that some Liverpool supporters might have been a little hard-pressed to show friendship because, when they went to Rome, two of my constituents were stabbed after the match and were in hospital for some time. I had to intervene with the Italian authorities so that they could get their families there; the Italian authorities were excellent and helped my constituents a great deal. The average football supporter from Liverpool or Everton might have said, "Okay. Fair do's. It was a few nutters who did that. They did not represent the majority of Juventus or Italian supporters." Italians might say the same about any nutters who went from Britain.

There was a carnival atmosphere before the match. But then I am told that many people got into the match without tickets. A policeman from Manchester, a Liverpool supporter, told me in his letter that he saw the police disappearing immediately. He said that there were not enough police, and that the English police would have dealt with the situation differently. Let us get it on the record that what happened was not the fault just of the people who charged across the barrier but that there were other factors involved.

Segregation is something that the chairman of Liverpool football club understands very well. Liverpool has carried out segregation for years and has avoided problems with teams coming from outside Liverpool. I sent a memorandum based upon those letters to the Belgian authorities, who tell me that it will go before their parliamentary and judicial inquiry. I also sent copies to the Minister responsible for sport and to the spokesman on our side of the House. I sent a copy too to the Popplewell inquiry, from whom I had a letter only today saying that the memorandum, and the evidence I had sent, would be considered carefully.

We have to consider this matter on the basis of the underlying factors. What is happening to football? Why are our young people getting involved in violence? What is the reason for it? It is not just a matter of the sale of alcohol. I am not against the Government's proposals, but do not let us believe that the Bill will solve the problem. To a large extent it will be irrelevant in dealing with the real problem.

There must be better policing at matches. Football grounds must be suitable. That means that money will have to be spent on the stadiums. I have been talking to many friends who used to go to matches in Liverpool before and just after the war. They have said that there was no segregation in those days. They mixed at every match.

Something has gone wrong and we need to look at that a little more closely, rather than merely saying it is a question of alcohol. We have to look at the point made by Mr. Smith, the chairman of Liverpool FC, when he talked about the role of the Right-wing National Front and other forces of that kind. There should be no cover-up of anyone, and that includes UEFA, the Brussels police and the Belgian authorities. There needs to be a better, more balanced assessment of what went on. Some of our press and the Italian press were appalling in talking about the "animals from Liverpool", the "brutal people" who went armed with weapons to batter people down. That is not true. In the television films, where does one see people with weapons in their hands battering people down?

Let us get it in proper perspective. It was a great tragedy and no genuine Liverpool or Juventus fans went there to cause touble of that kind. Let us not have a whitewash. We must go into it much more deeply than we have done up to the present. I support this Bill, but only as one minor step towards dealing with a very serious problem that is a reflection of the crisis in our society. That is the important thing. We have to analyse that crisis and then begin to deal with it.

In many respects there is a political solution. I would not expect right hon. and hon. Members opposite to accept the political solution I have in mind, but I argue that if we thought in terms of the brotherhood of man and co-operation rather than individual competition, that might lead to a better society.

6.32 pm

Mr. Michael Lord (Suffolk, Central): I am grateful for the opportunity to contribute to this debate on what has become a major issue in our national life. While I am prepared to accept that the control of alcohol at sporting events and the use, if they can be properly organised, of security arrangements such as identity cards may help control hooliganism, we must all accept that we face an epidemic in our society which will not be cured, or possibly even adequately controlled, by measures of that kind.

We call them football hooligans but what can we call them at cricket matches — cricket hooligans? What happens if they move on to other sports? Will they be called tennis hooligans or rugby hooligans? The common denominator is the word "hooligan", and while I do not absolve from blame football clubs which perhaps should have done more in the past, many other sectors of society

[Mr. Michael Lord]

are to some extent to blame for allowing this kind of marauding thuggery to develop and create havoc and death at events designed for pleasure and relaxation. We must all share the blame—football clubs, players for their attitudes on the field, and the media to a great extent. My hon. Friend the Member for Honiton (Sir P. Emery) dealt admirably with that aspect of sportsmanship.

But politicians, parents, police, social workers and magistrates must also take some responsibility. As politicians, we should have seen the situation developing and should have acted much more swiftly. Parents should exercise proper control over their children. Social workers should stop excusing behaviour for which there is no excuse under any circumstances, and our police should be allowed to take stronger action earlier and to use their powers of arrest to the full. Magistrates should be stricter in their sentencing, since only firm sentencing will deter.

Mr. Douglas Hogg (Grantham): Is not that a bit specious? Is it not the truth that those who act as hooligans are themselves responsible? Simply by spreading the blame, are we not relieving them of a portion of the blame for which they are utterly responsible?

Mr. Lord: I take the point made by my hon. Friend, but we are also to blame for not dealing with those hooligans as they should be dealt with. That is the point I am trying to make. In recent years, a change has come over our policing policies and also over the pattern of sentences given to offenders. Those two things together have contributed enormously to the present outbreak of violence and vandalism, and unless corrective measures are taken without delay, no amount of other measures, such as those proposed in this Bill, will stem the tide.

For many years now, accelerated by the riots in Brixton and Toxteth, and influenced by reports such as that of Lord Scarman on these events, policing policy in this country has changed. It has become the accepted and adopted policy that police no longer arrest automatically those they see committing a crime.

We ask the police—in my view quite wrongly—to make various subjective judgments as to whether apprehending a law-breaker is likely to lead to even more disturbance and law-breaking. In the aftermath of riots such as those at Brixton, perhaps sparked off by the arrest of a law-breaker and the subsequent arrival on the scene of many of his friends, this policy may have seemed sensible and plausible. But the end result is that criminals go unpunished, they tell their friends that times have changed and crime is easier, and the problem grows.

Similarly, in the control of mass picketing where there is violence, or of large crowds at football matches, the prime concern of the police—again understandably—is to contain violence, to control it, to disperse it and get it, as it were, "off their patch". The need to catch, arrest and convict individual law-breakers has become greatly subordinate to this policy of shepherding. Although in certain circumstances there may be good reasons for this kind of operation, it has the same effect on the law-breaker as it has on the person found stealing who is allowed to go unpunished. These people are able to return to their friends and their local pub to tell the story and to repeat the process, and the problem grows.

What deters most people who are considering a criminal act is the fear of arrest, conviction, prison and disgrace. If people are able to go to football matches to cause trouble, injury and even death, feeling reasonably secure in the knowledge that they will not be caught and convicted, then clearly the problem will grow rapidly, as it has done.

I do not underestimate the difficulties which our police face, and they do a magnificent job. However, unless they are prepared, with our support, to carry out arrests at a much earlier stage, these problems will grow. There is also perhaps an even greater responsibility on our magistrates and judges. Bail is frequently too easily granted, and sentences too light. The net result is that the miscreant is too often quickly back home amongst his friends relatively unscathed.

If the hooligan who travels from London to Leeds or Liverpool to cause trouble at a football match is arrested and convicted and serves a prison sentence, however short, in Leeds or Liverpool, he will have a very different tale to tell his friends on his release, and this will be a very real deterrent and would help to reduce the problem. For far too long we have been too tolerant of public misbehaviour. There is a point, which we have long since passed, at which tolerance is read by certain people as weakness.

People in public life, such as politicians, are sometimes afraid of being firm on these issues in case they are thought to be harsh and uncaring. In reality, to be weak with the bullies and thugs is to be uncaring about the gentle and law-abiding people whose enjoyment and not infrequently lives may be ruined. It is the responsibility of this House to protect such people.

As I said earlier, I welcome these and any measures which may help in a difficult situation. But without sterner measures such as those I have outlined which will instill real respect for the law, I am afraid we are fighting this problem with one arm tied behind our back.

6.40 pm

Mr. Harry Ewing (Falkirk, East): I have only one comment to make about the remarks of the hon. Member for Suffolk, Central (Mr. Lord), and I make it in the kindest possible way.

It is rather simplistic to believe that all that is necessary to solve the problem is to lock up people. We in Scotland have youngsters running about wearing as a badge of honour the fact that they have been locked up under the Government's short, sharp shock treatment, and it is significant that 80 per cent. of them return, not once or twice, but in some cases three times, to receive further doses of what the hon. Gentleman seeks to dispense. That is not the answer to the problem.

I know that the Parliamentary Under-Secretary of State for Scotland, the hon. Member for Eastwood (Mr. Stewart), is waiting desperately to hear me declare my interest in this matter. I am perhaps the only hon. Member who is a director of a senior football club. I am a director of Cowdenbeath football club — [HON. MEMBERS: "Senior?"] We had an instance of some trouble towards the end of last season, when a young man was caught climbing a boundary wall during a match. He was made to come back in to watch the rest of the game.

We are dealing with a minority problem. In that respect, and perhaps only in that respect, I agree with my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry). Unfortunately, we cannot legislate for a minority without damaging the majority. The House must accept

that if we introduce this legislation we cannot apply it only to a minority. It applies to everyone, and in that process we damage the majority. We have to do that knowing what we are doing. We cannot deceive ourselves into believing otherwise.

The legislation is based on part V of the Criminal Justice (Scotland) Act 1980, and we have heard repeated references to the McElhone report. Frank McElhone was a close and dear friend of mine, and I pay tribute to the report that Frank produced. I say that because what I am about to say may not be so acceptable. Far too much is being claimed for part V of the Criminal Justice (Scotland) Act. I do not believe that the McElhone report on its own would have solved the problem or would even have contributed to its solution in the way in which we have been able to deal with it in Scotland.

It is important just for a moment to paint in the background to the McElhone report. It was not the result of a build-up over a number of years of people drinking at football grounds in Scotland. It was a direct result of a match in Birmingham between Birmingham City and Glasgow Rangers. My right hon. and hon. Friends who represent Birmingham constituencies will remember the terrible riot that occurred. I, too, have cause to remember it. I speak about it with some feeling, and I come back to what my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) said about political elements.

The match took place on a Thursday night. I went on Scottish television with Alec Cameron, now sports writer for the *Daily Record*, who then worked for STV. I said on the Sunday that one of the problems in Scotland was the way in which we were conducting our politics. The Parliamentary Under-Secretary of State for Scotland will remember that at the time we in Scotland were going through a phase where everything bad that happened was the fault of the English, and we Scottish politicians had given that impression. Of course, if one of our football teams was defeated by an English team, it did not help matters.

In a sense, the McElhone report was our instant response to the Birmingham incident. This Bill is the Government's instant reaction to what happened at Millwall, Leeds and, unfortunately, Heysel stadium, which we all regret.

I repeat that far too much is being claimed for part V of the Criminal Justice (Scotland) Act, and that is one of the reasons why I intervened in an earlier speech about how in 1976-77 we reformed the licensing laws in Scotland. In my view, that was a very important contributory factor in dealing with crowd problems at Scottish football matches. We reformed the licensing laws, and we built into the Licensing (Scotland) Act 1976 a provision whereby the police could if they wished ask the licensing board to close licensed premises two hours before a match and for a period of one hour after the match. I am not aware that that power has ever been exercised, but that was one piece of legislation.

Another piece of legislation was the Safety of Sports Grounds Act 1975, with its designation and its powers to give the police the right to limit the numbers attending a game at a ground which had not yet been brought up to proper safety standards.

We have to add to that the McElhone report, which eventually became part V of the Criminal Justice (Scotland) Act.

In addition, it was decided that all offences arising from violence at football matches would be sent, not to the lower court, which in Scotland is the district court, but to the sheriff court, where the fines imposed are likely to be much heavier.

It is a combination of all those circumstances which has brought us in Scotland to the position that we see today.

It is important that I pay tribute to such Scottish football clubs as Aberdeen, Rangers, Celtic and Dundee United, and to some of the clubs in the lower divisions, such as Forfar Athletic and my own club, Cowdenbeath. I accept that Cowdenbeath is not a prominent club. It is a small club, but we have spent £250,000 inside the ground modernising it, rebuilding the terracing and making it safer. That is the story of a number of clubs in Scotland, which have made superhuman efforts to make sure that their grounds are safer and that those going to see matches may do so in relative safety.

I make one comment about the clubs, and I take my full share of the responsibility. It is time that the clubs exercised their right to refuse admission far more. There are fair numbers of people attending matches who should not be allowed into the grounds. That is not a matter for the police. Just as dance halls, theatres, and other places of entertainment do, football clubs have the right to refuse admission. Only if a person refused admission commits another offence does it become a matter for the police to deal with. It is time that the clubs accepted their responsibilities.

In my old constituency of Stirling, Falkirk and Grangemouth I had three senior clubs—Stirling Albion, Falkirk and East Stirlingshire. I was at the Falkirk ground on one occasion when a spectator, having watched one half of the game, began to make a nuisance of himself at the beginning of the second half. The chairman of the board instructed the secretary to give him back his money, and he was ejected from the ground. I pay tribute to clubs such as Falkirk which are strong enough to take that kind of action. I am talking about a club which does not get just a handful of spectators. It gets a fair number of people coming to see matches. It was not as though the trouble maker was isolated on the terracing. He had to be picked out of the crowd. He was picked out, given back his admission money and thrown out of the ground. I suspect that he has never got back in to this day.

Sir Eldon Griffiths: Speaking with his undoubted authority, will the hon. Gentleman go as far as to say that it should be made a condition of entry by football clubs that fans agree voluntarily to be searched for weapons or alcohol? It is very important that there should be that agreement to voluntary search, because frequently the police powers can operate only in certain specific and restricted areas.

Mr. Ewing: The powers in Scotland would have to be relaxed, if fans were to submit themselves to a voluntary search. Under the Criminal Justice (Scotland) Act 1980 the police have powers of compulsory stop and search, and fans do not have the right to refuse to be searched when they go into football grounds. My right hon. and hon. Friends who represent English constituencies would not accept the compulsory stop and search powers that prevail in Scotland.

I do not wish to speak for too long, because many of my colleagues have sat through the debate and are anxious to participate.

Mr. John Maxton (Glasgow, Cathcart): I do not want my hon. Friend—and I know that he does not want this—to leave the impression that the McElhone report was simply about banning drink. There was a lot more to it than that. It suggested, for example, that there should be all-seat stadiums. The Labour Government promised money to make Hampden park an all-seat stadium, but the Conservative Government withdrew that money.

Mr. Ewing: My hon. Friend, who has Hampden park in the heart of his constituency, is right in saying that one of the recommendations was all-seat stadiums. That is why I paid tribute to Glasgow Rangers, Aberdeen, Celtic and other clubs, which have all-seat stadiums, which have helped with the problem.

I shall now make a technical point, to which I hope the Minister will listen. As the Bill stands, clause 1 relates to clause 10 and makes the Bill inoperable. Clause 1 makes the staff on British Rail trains which travel only through England liable for prosecution. The staff should not be liable. It is nonsense to hold a driver, guard or ticket collector responsible for what happens on up to 15 coaches. Moreover, what happens when the train crosses the border? At that point, Scottish legislation applies. A train which travels from Scotland to England is covered by one piece of legislation while it is in Scotland, under which none of the British Rail staff on the train are responsible for any alcohol on the train—which is as it should be—but immediately it crosses the bridge at Berwick-on-Tweed it is covered by different legislation under which the staff all become liable for any alcohol on the train. That is nonsense and it is unworkable. The Minister had better turn his mind to that.

Mr. Douglas Hogg *rose*——

Mr. Ewing: I shall not give way, because I am anxious to conclude my speech.

It is not simple to extend the provision in part V of the Criminal Justice Act to trains and planes. It is not possible to do that, because we have no sanctions. The sanction available against public service vehicles in Scotland is that the driver is prosecuted, and if he is found guilty he is fined and loses his public service vehicle licence. The owner of the vehicle is reported to the traffic commissioners and can lose his operator's licence. Those are genuine sanctions. However, we cannot impose a sanction against British Rail by withdrawing its operator's licence to operate trains. Clause 1 in relation to clause 10 is unworkable.

6.53 pm

Mr. John Carlisle (Luton, North): The House will have welcomed the words of the hon. Member for Falkirk, East (Mr. Ewing), who has brought a deep knowledge of the workings of the Criminal Justice (Scotland) Act 1980 to the House. We are grateful for what he said in such a lucid and helpful way.

I enjoyed the speech of the hon. Member for Stalybridge and Hyde (Mr. Pendry), who is chairman of the all-party football committee. I hope that he will forgive me for reminding him that I was in the Chamber when he spoke about membership of that committee. Members of the committee are privileged to serve under his chairmanship and that of my hon. Friend the Member for Broxtowe (Mr. Lester).

I am sorry that my right hon. Friend the Member for Castle Point (Sir B. Braine) is absent, because I should like to address some remarks to him. He made some relevant points about alcohol. Perhaps when he sees my name on the screen he will creep back, but obviously not from one of the bars of the House.

Hon. Members on both sides of the House have rightly welcomed the Bill. On the whole, it has received a welcome from those involved in football, and in the administration of the football league and the Football Association. However, it is right to express some concern that the House is being asked to pass the measure with such speed. I understand the Government's anxiety to get the measure on the statute book, but the subject is so important that to steamroller the Bill through the House in such a short period, when there is other important business to follow, is unfortunate. Having said that, I see no reason to panic.

The Government were right to react to the terrible scenes that some of us, including me, experienced personally, and that the majority saw on television. Certainly, the Prime Minister's intervention is welcome. I share the regret of the right hon. Member for Birmingham, Small Heath (Mr. Howell) that my hon. Friend the Minister with responsibility for sport cannot contribute to the debate. Such are the workings of the Government. Nevertheless, the efforts of my hon. Friend and his Department are being discussed, and they bring a sense of reality to our debate. Some of their proposals have received a great deal of criticism, especially those proposed in August. However, his wise words and the wise counsel of his Department have been well used by the Government.

It would be easy to make a speech, as some hon. Members have, in reaction to the events that I witnessed at the Luton-Millwall game in March, to express anger, as my hon. Friend the Member for Suffolk, Central (Mr. Lord) did, and to suggest remedies in that spirit. Those events were a harrowing experience for those who were present. Since then, many other people have suffered even more harrowing experiences both in the United Kingdom and abroad.

The House is right to pay attention to those events, which we hope never again to see at a football ground. They caused great fear and distress to my constituents and to those in surrounding areas on that terrible evening. The events can almost be described as terrorist in their nature. I take the point that on that evening some elements in the crowd had deep political convictions, which would have no place in our arguments in the House.

We must ask ourselves whether the Bill provides an answer. I note that my right hon. and learned Friend the Home Secretary described the Bill as "one such measure" that might be taken to counteract the problem of football hooliganism. He will understand that the Government must not rest on this laurel, which we shall presumably pass this evening, but pay attention to the various existing Acts and the penalties and deterrents available to the courts and magistrates for the offence of football hooliganism.

Hon. Members, especially the hon. Member for Newham, North-West (Mr. Banks), will recall that soon after the Chelsea-Sunderland game about 80 arrests were made. Some people were arrested only on the basis of a breach of public order. In many cases, the police did not have the legislation necessary to bring those particular criminals to justice. What was even more telling was a comment made by one of those arrested. A so-called

Crystal Palace fan, Mr. Donald Barratt, who was arrested and got away with a light sentence, laughed at it and almost said that he would do the same again.

Mr. Tony Banks: Does the hon. Gentleman agree that it would greatly assist control inside football grounds if it was made a criminal offence to invade the pitch?

Mr. Carlisle: Yes; and if anybody who set foot on a pitch was liable to prosecution, perhaps on a charge of trespass, that would be of considerable value. Perhaps the same could apply to cricket pitches. If cricket is to survive unfenced, as we hope it will, such measures may be necessary to counteract such scenes as we saw at Headingley a few days ago.

I agree with those who say that there is a link between hooliganism and unemployment. After the Luton game, several £1 coins were found in the opposition goalmouth. Like many, I do not like the new £1 coin. If hooligans are in such a state that they chuck them at the goalkeeper, then, while I agree that there probably is a link with unemployment, it may be considered to be tenuous.

Since the Luton game there have been the tragedies of Bradford and Brussels. Indeed, we seem to have talked about nothing but football in what should have been the cricket season. I welcome the Bill and this opportunity to air some of the varied views about its provisions that exist on both sides of the House.

The Bill is basically in two parts and confronts two problems—alcohol inside and outside grounds. There is no doubt that the measures proposed by the Government that will apply outside football grounds to avoid so-called fans and supporters arriving for games in a drunken condition are absolutely right. On that sad night at [illegible], 99 per cent. of the fans who rioted, ran on to the pitch and caused such damage were drunk. The members of the Red Cross reported that virtually every so-called supporter whom they tended was drunk.

Trainloads of supporters left St. Pancras that afternoon drunk, and when they got to Luton and went through the town that afternoon, and were joined by others from their localities, the majority of them were drunk. The damage that they caused to the town and within the ground would not have been caused by sober people. They were drunk-crazed, and the drink gave them courage to act in a way that they would not otherwise have behaved.

Mr. Moynihan: I support my hon. Friend in making that point, but, as ever, being cautious about making international comparisons and drawing conclusions, is he aware that there has been a substantial increase in hooliganism in America in baseball, its national sport? An assessment of that hooliganism, including cases of death, has resulted in reports, not least from New York city, showing that 99 per cent. of all cases of hooliganism were related directly to alcohol. Further conclusions there resulted in the statement that the banning of alcohol was equally important inside and outside stadiums. Does my hon. Friend agree that that is a vital consideration to bear in mind?

Mr. Carlisle: I agree with my hon. Friend. It is interesting to note, in an international context, that the experience of others bears out some of the points made by my right hon. Friend the Member for Castle Point.

I welcome the proposal to refuse entry to, and to prosecute, those who arrive drunk. I also welcome the measures that will be applied to public transport. Those with experience of these matters have all too frequently seen fans coming off coaches and trains armed with containers of drink, and of course the containers themselves become missiles. The measures are welcomed by many, especially the police.

The other part of the problem to which I referred—alcohol inside grounds—causes me disquiet in view of some of the measures that the Government are proposing. Those who attend football matches regularly will agree that the availability of drink inside grounds is already extremely restricted. Indeed, drink has not been generally available at Luton since 1979. Many clubs that have followed the McElhone recommendations on a voluntary basis, rather than wait to be obliged to adopt them, have stopped selling drink inside grounds. In other words, the availability of drink inside grounds is a tiny contributory factor to problems that occur inside grounds.

It is clear from a review of the history of football hooliganism in recent years — certainly since the measures introduced by the right hon. Member for Small Heath when he was in office; his measures had the full support of Conservative Members and have resulted in grounds being much safer—that the number of incidents inside grounds is much less than the media might lead us to believe. Most incidents occur outside grounds. As I said, the trouble is that people turn up for games full of drink. The availability of drink inside grounds—even if that were permitted under the Bill—represents a small part of the problem that we face.

We must accept that these measures will hit the revenue of clubs. Many clubs are surviving through the sponsorship of commercial interests and, in many cases, the generosity of certain directors and other members of companies, who tend to want to spend their money supporting their local football clubs rather than on buying, for example, a new Rolls-Royce or having a yacht in the south of France. It is their prerogative. If that is the way in which they want to spend their money, particularly with some of the lesser clubs — I say that reservedly, representing a first division club—good luck to them. Without their help those clubs would die. I sometimes get cross when I hear people criticise football directors who put their money into clubs and then tell the fans, "Frankly, we need your support as well."

Much money comes in through the provision of hospitality and other suites at matches. Because that money is available to clubs and because alcohol is available in those boxes, there is a cross-subsidisation in that money comes in from various sources—from that means and from the entry fees paid by fans. We at Luton accept that our entry fees would be higher if money were not available from commercial activities, which include the sale and dispensing of alcohol at the bars within the ground.

Mr. Tony Banks: Is the hon. Gentleman aware that the Bill, as drafted, will permit drinking in boxes before and after the match and that, with screening, drinking can continue at half time? Only those sitting at the front parts of boxes will be prevented from drinking. The Bill will do little to affect drinking habits inside football grounds.

Mr. Carlisle: The hon. Gentleman is correct, and I appreciate his deep knowledge of the game —

[Mr. Carlisle]

[Interruption.] Any supporter of Chelsea must have a deep knowledge of the game of football. I am, nevertheless, worried about the sight of drinking at games.

Will the Minister explain the procedure at, say, a bar under the stand which has drink which is available to the public? If the bar is not within sight of the pitch, will it have to be closed? In many instances, those who go to watch games might prefer to stay in the bar than watch the match, considering some games.

The Minister will be aware that, under the law as it stands, clubs are obliged to renew their licences at regular intervals. We at Luton have to renew our licence every three months. I agree that it must be for the local magistrates and the police to decide whether licences should be renewed.

That leads me to my last three concerns. The Bill appears to indicate that clubs with a good behaviour record will be rewarded by being granted licences by magistrates and the police. It will surely be accepted that in many cases the incidents that take place inside the grounds, as happened in the Luton-Millwall game, are to a small extent only the responsibility of the home side and, indeed, of the away side if one considers football hooliganism to be part of society's sickness. I am concerned that magistrates in the Luton area, having noted the problem that occurred in the Millwall game, which was not of our making, might question the desirability of granting a licence to the Luton Town football club.

My second concern is about revenue. The Government, at a time when football is desperate for funds — and designation, rightly, is to be made to third and fourth division clubs — must accept the necessity to make revenue available. The measures before us will restrict the revenue going to clubs.

My last concern, which I raised earlier in an intervention, is that other sports may well be involved. Because the word "football" does not appear in the Bill, I am concerned that a fairly heavy-handed Home Secretary might be panicked, as the result of an odd instance in one sport on one ground, to include that ground in the provisions of the Bill.

Some of us have enjoyed the cricket at Lords in the last few days. Some 20,000 people daily have watched the cricket over four to five days, making a total of nearly 100,000 people. I read no newspaper reports of arrests as a result of drunkenness, and, having attended the game for three days, I saw no instance of drunkenness. If 100,000 people can enjoy themselves by using bars open in a limited way and bringing alchohol into the ground, as they are perfectly entitled to do, that sport has litle to fear. However, the Bill gives a future Home Secretary power to extend its provisions to such grounds. I hope that the Home Secretary will not be too anxious to act in that way.

Mr. Couchman: My hon. Friend may be aware that the authorities who run the Rugby Football Union are apprehensive on this very point.

Mr. Carlisle: Having in my younger days enjoyed many drinks at Twickenham when we might have been called rugby hooligans—in the antics we got up to after drinking although, of course, it was never criminal—I understand my hon. Friend's comment. However, rugby's house is in good order.

I am glad that the House appears to be about to give the Bill a fair wind. It deserves to be supported not only by hon. Members but by those beyond the House. It is to be hoped that football will be a better game for it.

7.13 pm

Mr. Joseph Ashton (Bassetlaw): The general mood of the House seems to be that the Bill is too little too late, and that attitude is absolutely right. Successive hon. Members have said that drink is not entirely to blame for the violence that takes place and for the incidents that have been mentioned. While there is much that is good about the Bill, there is no doubt that it is so easy to get through the loopholes that it will do little to solve the problem.

Many members of the football group went to White Hart lane at the invitation of Tottenham Hotspur two weeks ago. It was interesting to observe that after one match the police asked the supporters to leave the litter in the away supporters' area behind the goal, 80 per cent. of which comprised containers of alcohol which was bought outside the ground. It came from local supermarkets and off-licences. Of the total, 20 per cent. comprised plastic cartons which can be bought with a pint of beer, but the remainder had been bought outside the ground.

The Bill does not state how to prevent the perennial problem of 15 and 16-year-old kids invading off-licences, because that is where the booze comes from. They pile into an off-licence 25-strong. One makes an attempt to buy a packet of crisps or something similar. The rest run in mob-handed and grab bottles of sherry, wine or such-like from the shelves. If these youngsters go into an off-licence, they even buy drink. Four of them chip in 70p each for a bottle of sherry, which is sufficient to get four 15-year-old kids drunk. They get that on the way to the ground. They get it not on a coach, a bus or a train, but when they are walking to the ground. They are often home supporters.

If the police have powers to close every off-licence, they will have to do so over a wide radius in order to close every outlet. It is not necessarily a pub from which supporters get drinks. People who go into pubs, while they may not be experienced boozers, can take one or two pints. They do not go into the pub until 2 o'clock, and the match kicks off at 3 o'clock. The problem occurs with under-age kids of 15 and 16, because of the cheap booze that they are able to get. Nor does the problem of booze arise inside the ground with the football supporters.

I wish to read to the House a letter which has been sent to me—I always believe in listening to experts—from a Mr. Jack Wood of Exeter place, Sheffield, who operated a turnstile at Sheffield Wednesday football ground for many years. He says:

> "It's all right until three o'clock. Until then the coppers check them for beer cans and weapons before they come through. But then what? At kick-off time all the bloody coppers climb over the turnstile and . . . off to watch the match."

I apologise for his colourful language.

> "Then about 3.15 you can hear them coming, marching out of the pubs, clapping and shouting as the word goes round, they are here! . . . Looking for trouble, deliberately going in at the wrong end, and not a copper in sight."

He then mentions identification cards, by which the hooligans can be singled out. This expert says:

> "Just before the kick-off the turnstiles are packed like the neck of a funnel. If a bloke is jammed in and you refuse to let him through there is no way he can back out because of the pressure of the crowd behind him. There they are. Packed like sardines. They have all had a few and you have GOT to let him through. My mates at a semi-final were offered as much as £20 by Spurs

supporters without tickets. What could they do? They simply put their foot on a pedal otherwise there would have been a riot. There are no checks on turnstile figures at an all-ticket match and there are always hundreds of extra fans packed in. You can't shut the sliding gates to stop those without identification cards. It's too jam-packed with fans."

There is the voice of experience of somebody who has to work at a ground and face the drunks and the howling mobs.

Let us analyse some of the reasons that the away supporters often go on the rampage. I happen to be a football supporter who does not go exclusively into the directors' box. We have heard the voices of many hon. Members in the debate who sit in the directors' box well away from all the beery belchers, and worse, and all the swearing and punch-ups that happen behind the goal. I wish that a few more Members of Parliament would take the trouble to go to watch their teams away from home. They should pay to go in and see what one has to put up with.

I was at Manchester City's ground on an occasion this season when an empty lager can full of urine sailed past my ear and smashed into the skull of a young lady sitting in front of me. That was the fault not just of the thug who threw it but also of the police because they were round the edge of the ground but none of them were round the back of the stand looking for the idiots who throw that sort of stuff.

I was also at Chelsea's ground with the shadow Chancellor, my right hon. Friend the Member for Birmingham, Sparkbrook (Mr. Hattersley). As we were sitting there, we noticed that there was no segregation. Gangs of thugs carrying pints of beer were strutting round the stand threatening anybody who dared to say a word to them. They had bought the booze round the back and carried it in. The problem was twofold: there was no segregation of supporters and there were no police. The police once more were round the edge of the pitch. That is no use. The police must be in the crowd. They must be where the two sets of supporters meet. All too often, the clubs segregate the supporters who stand, but they do not segregate the supporters who sit down. We were very concerned, because elderly people, women and children were with us. The Chelsea club made no attempt to segregate away supporters in seats. We were at the mercy of thugs strutting round, and ultimately that is bound to boil over.

Quite often, there is no proper segregation at Manchester United. I visited Coventry when our supporters climbed over the fence and everyone condemned them for it. But they did it because Coventry sold too many tickets—2,000 for a ground that holds only 1,000. People were crammed like sardines and they had to climb over the fence.

The same happened at Leicester, where our supporters were ripped off. The club charges more for tickets for away supporters than for home supporters and then sticks the away supporters in an inferior part of the ground, often behind a floodlight pylon where they cannot see the game. At Nottingham Forest we were jammed like sardines looking through wire netting and from behind floodlight pylons, even though there was plenty of room in the remainder of the ground. These clubs do not care, they do not cater for us and they do not take any notice of the problems. The same has happened with Grimsby and Notts County.

Supporters who go away to watch a game are often treated like animals. The hon. Member for Luton, North (Mr. Carlisle) should have said that one reason why away supporters ran on the pitch at Luton was that 8,000 fans turned up and Luton tried to cram them into a space large enough for only 5,000. The fans ran on to the pitch to save themselves from being squashed. That is how the riot started. The initial spark is often caused because away fans are treated like animals. They are met at the station and escorted through the streets like prisoners of war. It is not unusual to see a copper give an away fan a cuff because he does not like the look of him or because he has stepped off the pavement.

The hon. Member for Bury St. Edmunds (Sir E. Griffiths), who represents the police in this House, spoke about search. Surely he does not really believe that a football fan would dare to refuse to be searched by a policeman and quote the law to him. Really, the hon. Gentleman should go to a few matches in disguise, get behind the goal and see what happens. If he believed what he said, he would believe anything.

The pent-up resentment and poor facilities, combined with the greed of clubs which rip off away supporters—who they know will turn up only once that season—often cause much of the trouble. If the Office of Fair Trading looked at the deal that away supporters get from clubs, it could present an interesting report.

The Government's attitude towards football is entirely different from their attitude to law and order in general. When there was a problem on the picket lines during the miners' strike, money was no object. No one said that the National Coal Board should pay for the police services. No one said that the NCB should pay to protect property or to provide police escorts for working miners. The Government paid for all that. Yet when it comes to law and order at football matches the attitude is very different.

The Government say that the clubs must pay for policing inside the grounds. The clubs have no say in it, because the chief constable in each area decides how many police should turn up. I have known occasions when the chief constable of south Yorkshire has had more policemen than spectators at matches. I am not exaggerating. At one match against Southend, that club sent a coachload of 22 supporters but there were 35 policemen standing behind them watching the game. It is nice for the coppers to have a night off to watch the game. I know that Sheffield United has refused to pay a bill for policing, so the police authority is taking that club to court.

The Government's attitude towards law and order in football grounds is quite different from their attitude to law and order in other areas. The Government offer no cash. They do not say that innocent people attending football matches should be protected. They said that working miners had the right to go to work in peace, yet clubs have to pay for policing inside the grounds.

Mr. Peter Bruinvels: Quite right.

Mr. Ashton: The hon. Gentleman may say that, but those people are entitled to protection. I pay my rates and I am entitled to have the police protect me inside a football ground. The police do not do that.

Mr. Tony Banks: I agree entirely with my hon. Friend. Is he aware that the 11 league clubs in London last season paid £700,000 for policing inside the grounds, yet those clubs also have to pay rates?

Mr. Ashton: My hon. Friend is absolutely right. The Government should come up with the means to pay for that.

As I said earlier, in 1972 I introduced a Bill to establish a football betting levy board because football was going through a financial crisis. I still believe that that is the only answer to the problem. In 1968, horse racing was in trouble because people were watching the races on television rather than attending the meetings. They either went to the betting shop to place their bets or telephoned their bookies. The people running the tracks did not have sufficient funds for prize money or to maintain the stands.

The then Labour Government set up the Horserace Betting Levy Board, which takes a slight percentage of every bet. Members of the board include bookies, breeders, track owners, the Jockey Club, and so on. They plough back that cash into the race tracks to provide cheaper admission, to make the tracks safer, for better prize money and for better breeding. That has saved horse racing. If there is a bad winter with snow on the ground for two months and no racing, the sport does not die. That is the answer to the football problem.

The problem of booze is only one aspect—the main problem is safety in the grounds, and that cannot be achieved without segregation, which requires a great deal of cash. It is all very well to talk about the football trust. Without blowing my trumpet too loudly, that was something that emerged from the football crisis in 1968. At that time it was questioned whether the mark-the-ball competitions were legal. I understand that a Member of the House of Lords questioned their legality. I am not saying that a deal was stiched up between certain people, but the word went round that, if no one insisted that the competition was illegal, there would be some return of cash to football. I shall not go into the winks and the nods, but the system has worked well.

The problem is that, to obtain cash from the football trust, a club has to put money up front. It has to pay out all the money and then it gets a percentage back later. The small clubs cannot afford that, because they already live hand to mouth. There is a great deal of money in football. For example, the Spurs sponsored boxes bring in £500,000 a year—that is the club's income.

Mr. Ken Weetch (Ipswich): I am interested in the point that my hon. Friend is making. He has a great deal of experience in these matters, so I hope that he can answer a question. Is it not the case that Association football today is stricken with dire poverty? Is it not true that the number of spectators has shrunk enormously? Yet we still have the same club capacity as we had years ago. Is not the root of the trouble the fact that there are too many clubs offering football on the market?

Mr. Ashton: From a market or capitalist viewpoint, I suppose that my hon. Friend could be right, but he should go to Darlington club and say that. He should remember that Darlington is a marginal seat, and it would not be happy if the Government introduced legislation that put the club out of business. The people of Darlington might not go often to the club ground to watch Darlington play, but they do like to hear Darlington's name read out at 5 o'clock on a Saturday afternoon on the football results. Apart from elections, it is the only time that Darlington gets a mention on television. Quite rightly, Darlington is proud of that.

Some of the smaller clubs have a wonderful family atmosphere and do not have any trouble. Indeed, if there were two or three hooligans at Darlington the trouble would be catching them — there are so many empty spaces the coppers would have to run fast to catch them. A betting levy provision would save the Darlingtons of this country. Its name appears on the football pools coupons. Without such clubs, we would be reduced to Australian football and there would not be a great deal of interest in that.

There is a provision in the Finance Bill to reduce the tax on football betting and give it to the clubs. I think that we could increase the tax on football betting. The average punter would not care whether it was 43p or 44p in the pound. If the tax on football betting was increased by 1p in the pound, that would bring in about £10 million a year and the punter would hardly notice. That extra cash, providing it went to a statutory board under the Home Office, not a voluntary football trust, with representatives on it of the clubs, the supporters clubs and perhaps the players union, could be used for safety and segregation. That could be the answer to the problem. I hope that the Minister will mention that when he winds up.

Unless something is done about that problem, we shall see the market economy, in which 25 or perhaps 40 clubs go to the wall. From my constituency I can get to Leeds, Huddersfield, Doncaster, Barnsley, Lincoln, Sheffield Wednesday, Sheffield United, Mansfield, Nottingham Forest and Notts County within half an hour. Those towns love their teams and the only way the teams survive is through the bobs and tanners they get collecting door to door. They are very proud of their team and their status. If I asked some of my hon. Friends which borough was the fourth largest in the country and never had a football team in first-class football, they could not name it. I shall tell them—Croydon. Nobody has ever heard of Croydon in the north. They think it is a little village, but it is nearly as big as Newcastle or Nottingham. If there had been a Croydon United, everybody would have heard of the town. In the north, they hardly know it exists. That is the value of a team to a town.

A great deal of damage has been done to the image of football in this country. As my hon. Friend the Member for Liverpool, Walton (Mr. Heffer) mentioned, when Everton went to Rotterdam, there was not a single arrest and nothing went wrong. To punish, or to suggest punishing, innocent people is something that the House should never condone. Yet all too often, when there is a fault, a crime or a happening at a football match immediately the cry is, "Punish everybody." The supporters of Norwich committed no crime. They were totally innocent. They had a perfect record and had never been in trouble, but immediately after the Liverpool problem in Brussels all English clubs were banned.

Now the good people of Norwich — there are two marginal seats in Norwich, so the Government had better watch what they do—have to see their club forfeit their right to play in Europe next year after having done magnificently and won the league cup. It is the same for Everton. It won the championship for the first time in 20 years. It is not the fault of the club or the supporters, but the innocent are immediately punished. That builds up resentment. They are simple people who go to football matches and they are simple people behind the goal at Norwich. Those people will say, "If we get punished like this for nothing, to hell with it, we might as well do

something." It is a natural teenage reaction to say, "If you are going to punish us when we have done nothing wrong, we will damn soon do something wrong to get even."

Mr. John Mark Taylor (Solihull): The hon. Gentleman used the expression "simple people". It is not an expression I would use. Some people have referred to football as working man's opera. The same might also be said of rugby league. Will the hon. Gentleman say why there are no comparable problems in rugby league?

Mr. Ashton: Rugby league attracts far fewer people, and it is a far more violent game. Probably, as I said earlier, there is also a surfeit of clubs in a small area. They tend to come from the same background. Rugby league tends to come from mining communities—in fact all the clubs are from mining communities. Most of the thugs in places such as Featherstone, Pontefract and Batley go to watch Leeds United. They know that that is where they will find violence, and they have to go only 5 or 10 miles to get there. Punishing innocent clubs and spectators will rebound in the long run.

7.34 pm

Sir Eldon Griffiths (Bury St. Edmunds): The hon. Member for Bassetlaw (Mr. Ashton) knows a great deal about football. I agree with him on two points. First, the FIFA and UEFA reaction in banning all English clubs indefinitely was excessive. Secondly, the hon. Gentleman is right in seeking financial help for football, particularly for the grounds, from something like the Horserace Betting Levy Board. Representing Newmarket, I know a little about that.

However, when the hon. Gentleman got outside the area of football and into the area of policing, I am afraid that he led the House into error. During the miners' strike the fact is that at no stage were the police taken into the private property of the National Coal Board. They dealt with the pickets' actions on the public highway. In the same way, if there were interference with the lawful right of football fans to go to a football match on the public highway, it would be the duty of the police to prevent that obstruction. They would do it with no charge to any club, for that is the public and criminal law which the police must enforce. But it is an entirely different matter when the police are asked to go inside the private places of the football clubs. In those cases, the clubs should pay.

Mr. Ashton: It is not as if the police are asked to go into the ground. They insist, and tell the club how many police constables they will send to the ground.

Sir Eldon Griffiths: I can only say to the hon. Gentleman that he does not know what he is talking about.

Mr. Ashton: It is true.

Sir Eldon Griffiths: The police will go into a ground, first, if there is reason to believe that some criminal action is taking place in that private place, and, secondly, if they are invited to go in by the clubs to assist in maintaining order.

Mr. Ashton: Sheffield United is being taken to court by the police authority because the local police insist on sending more police constables than are needed.

Sir Eldon Griffiths: The hon. Gentleman states that as a hypothesis. I do not know the facts, but my guess is that the police agreed to the request of Sheffield United that they should provide adequate manpower to police the occasion. The police sent the appropriate manpower and then sent the bill, and Sheffield has refused to pay. I suspect that that is the answer to the hon. Gentleman's question.

Mr. Roland Boyes (Houghton and Washington): Will the hon. Gentleman give way?

Sir Eldon Griffiths: I am sorry, but we have had enough on that issue.

Mr. Boyes *rose*——

Sir Eldon Griffiths: The hon. Gentleman will make his own speech later.

Mr. Boyes: I believe that the hon. Gentleman is wrong on that point.

Sir Eldon Griffiths: I give way to the hon. Gentleman.

Mr. Boyes: I am afraid that the hon. Gentleman will have to concede this point. As the vice-president of Hartlepool, I can assure him that the police determine the number that they think should be in the ground. Recently the police bill was almost as high at the total gate money. I hope that the hon. Gentleman will concede that point.

Sir Eldon Griffiths: I think that when he replies my hon. Friend the Minister of State, Home Office—if he ventures into this area — will confirm that I have correctly stated the law and practice.

I have an interest to declare in the matter, but I suppose only remotely. For four and a half years I was the Minister with responsibility for sport—a small trade union in this House. I failed to find the answers to violence at football matches. The right hon. Member for Birmingham, Small Heath (Mr. Howell) also failed to find the answers. It may be that my hon. Friend the present Minister with responsibility for sport has failed, too. As a consequence we are confronted with this Bill. It is a disagreeable Bill. I do not particularly like it. But it is a necessity.

I have another interest in that I am a life vice-president of a Manchester United supporters club. That may give the answer to the hon. Member for Bassetlaw, who inferred that I had no knowledge of football. I take a keen interest in it.

Thirdly, of course, I have an interest to declare in the police service.

My overall view of the Bill is that it is like many other things we have seen over recent years, in that the Prime Minister saw clearly what needed to be done in the national interest, and got her Cabinet to agree with her, but that subsequently the weevils got at the text. As a result what started out and should have remained a simple, clear Bill banning alcohol at football matches has been turned into a dog's dinner with a whole infrastructure of exemptions, conditions on exemptions, appeals against conditions and police overrides of magistrates' courts' decisions. I shall support the Bill. I have been asking for it for many years. But it lacks the essential simplicity of the Scottish measure, which has the merit of being both intelligible and enforceable. This Bill is less than intelligible in many of its parts. It is exceedingly complicated, it will be difficult for the police service to enforce, as I shall demonstrate, and it will not help the relationship between the police service and football fans.

Mr. Tony Banks: What does the hon. Gentleman think would be the view of the police if all football league

[Mr. Tony Banks]

matches were moved to a 10.30 kick-off on Sunday morning, which would remove the problem of the availability of alcohol?

Sir Eldon Griffiths: I shall not speculate on that proposition, because it is not the one before the House; but the Police Federation has said, and I support it, that it would like to see more matches taking place when pubs are not open. Therefore, I go some way with the hon. Gentleman, although I am not sure about Sunday mornings. The House will be debating that at a later stage.

As many others have said, the legislation is long overdue. I and the Police Federation asked for it to be introduced 11 years ago, nine years ago, eight years ago and five years ago, and at every annual conference of the Police Federation during that period. Yet at every stage, our pleas were rejected. Now, however, the Bill has been introduced because of the 38 deaths at Brussels, the hundreds of people injured and, in the case of the police, because they have been taking far too many casualties.

Mr. Denis Howell: I hope to show, if I catch your eye, Mr. Deputy Speaker, and make a contribution to the debate, that the Bill has nothing to do with what went on or goes on in Europe. That is one of its deficiencies. It says nothing about boats or planes and alcohol. It has nothing to do with the deaths in Brussels.

Sir Eldon Griffiths: The right hon. Gentleman may be right in his view, but I am saying that one of the factors that propelled the Bill into the House was what happened in Brussels. That is beyond dispute.

I am glad that at last the Home Office, which previously repudiated the judgment of the police service, has come round to the point of view of the police. Yet it is also worth recalling that when the Scottish Act was passed, the police asked that it should be applied to England as well. We found it absurd that the Scottish police should have powers to stop coachloads of football louts travelling south from Glasgow to Newcastle when the English police had no powers to stop them once they were across the border into this country. Once again, however, the Home Office rejected our plea. Although I went along and discussed it, my request to the Home Secretary was turned down.

Tonight we have the opportunity to listen again to the views of the police service. Their advice was rejected before and I am willing to bet that it will be rejected again. The consequence may be similar to those that followed rejection of that advice before—we shall come to rue it.

I welcome the fact that we shall put on the statute book, no doubt in the next two or three weeks, an Act that will help to reduce alcohol-related problems at football matches. But I agree with those who have said that alcohol is not the sole cause of the problem. There is far more to it than that.

I pick out one detail. Why are we to ban alcohol at football matches, but not the taking of glue into football grounds? Glue can be sniffed and cause the same sort of intoxication and dementia as alcohol, but glue is to be ignored. Here is an illustration of what happens when we rush through legislation without thinking carefully about how the problem should be dealt with. As far as the police are concerned, I am anxious about four points. First, there is the unintelligibility of parts of the Bill. Recently, I have been having a look at the police training manuals that arise from the Police and Criminal Evidence Act. They stand several feet high off the floor. There will have to be careful instruction of the police on the application of the Bill, adding to that pile, because there are parts of it that simply are not intelligible.

Secondly, I am concerned about the Bill's inconsistency.

Thirdly, I am concerned about the practical enforcement of the Bill. I remind hon. Members who have talked about their experiences of standing there while bottles of urine are thrown past them and about the violence that they have seen that the police have to do that all the time. They cannot argue. They are there and they suffer casualties. Therefore, their advice to the House should be listened to carefully.

Fourthly, I am concerned about the possible effect of the Bill on the relationships between the police and the football clubs and their fans.

Turning then to the question of intelligibility, I regret that the Government have allowed themselves to be talked into the infrastructure of exemptions. I should like to see those clauses out of the Bill completely. Let us ban alcohol simply and clearly. Let us avoid the whole business of building in the ability of clubs to apply for exemptions, and of the magistrates' courts placing conditions on those exemptions, the provision whereby there can be an appeal to the county court if the club does not like the conditions applied to the exemptions, the power of a police officer over the rank of inspector to override the exemption, the power of the individual constable, if he judges that the use of the exemption in practice—the opening of the bar—will lead to drunkenness, to close it. All that is to import into what should be a simple and straightforward Act complications and confusions that do not serve the interests of the game or the police service.

I am indebted to the Government for their courtesy to the House in that Ministers have provided the notes on clauses in the Vote Office—a most helpful procedure when we are trying to get the Bill through all its stages in a single sitting. The notes on clause 3 say:

> "There is also a power for a police inspector . . . to suspend an exemption order temporarily (thereby prohibiting sales of alcohol), if in his opinion there is a likelihood of trouble developing at a particular match".

Similarly, the notes say that clause 6

> "gives a constable in uniform power during a designated sporting event to close any bar or bars if he considers the sale of alcohol from them detrimental to the orderly conduct or safety of spectators."

I do not doubt that the police will try to apply those powers in a sensible fashion, but I am doubtful whether it is right in principle to place upon the police officer the onus and the authority to override the decision of a magistrates' court. As far as I am aware, that is a serious innovation in our public law. My hon. Friend the Minister may be able to correct me, but I am not aware that there is any other case in British law in which a police officer has the authority to override the decisions of a magistrates' court in any particular circumstance. That is to ask of the police more than they should be asked to do.

I turn now to the inconsistencies in the Bill. There is the provision that alcohol may not be taken into the grounds unless it is going into the changing rooms, the club rooms, the catering storerooms, the private boxes or the restaurants. How will the police cope with that? Parliament says, "Thou shalt not take alcohol into sports

grounds", but it is all right to take it to the changing rooms, the catering storerooms or the private boxes. That imports a complexity which is unhelpful to the law.

Similarly, no alcohol is to be drunk at the ground unless the place where it is consumed is not in direct view of the pitch. I must say to my hon. Friend the Minister that that is absurd. It will be extremely difficult for the police to distinguish between one group of people who are allowed to drink and another group who are not.

Some of my hon. Friends have spoken with some knowledge of the need to provide revenue to the clubs. When I was the Minister with responsibility for sport, I heard and sympathised with the pleas of football clubs that they could not expect to raise large sums of money unless they could offer their sponsors and customers an opportunity to enjoy themselves in private boxes. I understand that point of view. However, we will be creating class distinction in drinking if we allow different treatment for different groups at the same football match. Such an arrangement will be inequitable and unworkable. It will create great difficulties for the police.

Mr. Robert Hicks (Cornwall, South-East): At Lord's cricket ground, when the Mound stand bar is closed at certain times of the day, one can always get a drink in the pavilion or the Warner stand. Does my hon. Friend believe that that anomaly should be put right?

Sir Eldon Griffiths: I am not talking about Lord's; I am discussing the Bill. Of course, the Bill could be extended that far, but that will depend on the Minister's judgment on designation. He will take into account the circumstances at Lord's cricket ground, Twickenham rugby ground or Wigan Rugby League ground.

The Bill is clear. It says, "Thou shalt not drink on the terrace, but thou mayest drink in the directors' box if it is out of sight of the pitch." The police have a lot on their plate. They are short of manpower and over-burdened, yet we ask them to enforce such distinctions between one group of people and another.

I shall support the Bill, but the Minister is asking more of the police service than the police service should reasonably be expected to do. It is inconsistent to create one set of rules for the terrace and another for the private boxes. Indeed the Government have conceded that point. That is why they ruled that, even if directors get an exemption from the local magistrates, they will not be able to drink in direct view of the pitch. Presumably, they will have a screen to hide behind while they down their gins and tonic. That exception gives the game away. The Government are too embarrassed to allow directors to drink in view of the drinkless crowds below them. They know that would lead to trouble. However, it is all right to drink out of sight of the pitch. That is legislative humbug. It will lead to more, not fewer, problems for the police at football matches.

I turn now to enforcement. We are told in the notes on clauses that clause 7 provides the police with the necessary powers to enforce this legislation. These include the power to enter any part of a football ground and to search people entering or inside the ground when an offence is suspected. We have heard from several experienced hon. Members about the pressures at the turnstiles, the enormous crushes that can occur and the great difficulty of stopping people and searching them.

What we have not heard, and what I wish the House to hear, is precisely what a police officer is required by law to do before he undertakes the search that the Government tell us will be adequate to enforce the Bill. The police officer must take account of the Police and Criminal Evidence Act 1984, which my hon. Friend the Minister and I know almost by heart. The Act states that if a police officer wishes to stop and search someone, he must first state his name and number and then the purpose of the search. He must then ensure, except where there are difficulties, that he can make a record of that stop and search. It is true that the Act provides that, where it is impracticable to make a record, the officer need not do so, and of course that will apply at football matches. I intervened earlier to ask whether there could be an agreement with clubs to make it a condition of entry that fans should submit to voluntary searches precisely to get over that problem. I did so because my hon. Friend the Minister, in answer to a question by my hon. Friend the Member for Leicester, East (Mr. Bruinvels), said:

> "Before making the search the constable must identify himself and give the object and grounds of the search; following the search he must make a written record of the search, unless it is not practicable to do so . . . Nor does the Act in any way preclude the police or stewards searching those entering football grounds with their consent or because the club makes this a condition of entry."—[*Official Report*, 2 April 1985; Vol. 76, c. *571*.]

I suspect that my hon. Friend the Minister will be advising clubs to do what I asked the right hon. Member for Small Heath to accept. There are many reasons for this, but I shall give only one. The Police and Criminal Evidence Act states that a police officer who suspects that someone is carrying an offensive weapon, stolen goods, or, in this case, alcohol into a football ground can require him to remove his overcoat, gloves and jacket, but he cannot require him to remove his hat.

That is one absurdity of the Act, but how much more absurd it will be when one is dealing with a football fan, who need only stick a miniature bottle of alcohol—such as one sees on aeroplanes — under his cap, and the police officer can do nothing about it unless he removes the fan from that public place to a private place in which he can be asked to take off his headgear. My hon. Friend must know that that is how the Act will work in this case.

Somewhere between here and the other place my hon. Friend must ensure that the police are not so inhibited. They must not be required to take to a private place those whom they wish to remove their headgear so that they can enforce the Bill which my hon. Friend commends to the House. That is only one example of the enforcement difficulties that the police will experience.

The Bill is urgently needed and overdue. But I wish that we had not been compelled to rush through all its stages in one sitting. I appreciate the pressures of the forthcoming football season, but I do not believe that the demands of football clubs, pools companies and television companies should take precedence over the need to consider legislation carefully and to produce a Bill that can be enforced in the long run. We are not going to war; we are simply trying to deal with the problems of football matches. We could have made the Bill more effective, comprehensible and enforceable if we had taken a day or two longer to get it right.

8 pm

Mr. Ken Weetch (Ipswich): I shall make a short contribution to the debate. I declare an interest as vice-president of Ipswich Town supporters club. I have been watching the game for 30 years and I am appalled at the way in which it has degenerated over the years.

The Bill aims to control the possession of alcohol at football grounds. It attempts to limit drunkenness and to control the nature of the crowd before it enters the ground. It tries to control the consumption of alcohol by people travelling to the ground and before entry. The trouble is that the problem has been with us, in all its ugliness, for a long time, yet we have responded in haste. The problem has been with us for a good many years, but the Bill bears all the marks of being drafted in a hurry. It will have a limited impact upon the problem. I do not think that it will work very well and I have major reservations about it.

The assumption behind the legislation is that drunken behaviour contributes to football hooliganism and that controls will help to improve matters. I shall make some preliminary observations and describe a violent incident in Ipswich some time ago. We do not have much trouble at Ipswich, but there have been some ugly scenes. The worst that I have witnessed was three or four years ago, at the opening match of the season, when Ipswich played Newcastle. That morning I had held an advice bureau in the town hall in the centre of town. I was due to see some elderly people, but they did not arrive. When I looked out, I saw that some of the Newcastle fans had arrived early. They were drunk and being sick all over the road. They were tipping liquor about the place, smashing bottles, fighting and indulging in general hooliganism.

When one analyses the causes of that trouble, they boil down to two. The fans were allowed to arrive too early. What were they doing in Ipswich early in the morning when the match was not due to start until 3 o'clock? The fans had time to waste. They were walking round looking for trouble because they had time on their hands. The trouble had nothing to do with drink at the ground, or even in the vicinity of the ground. The fans bought the drink in the supermarket and sprayed it about the streets not 10 yds from where they bought it. That drunkenness at Ipswich occurred away from the ground, and I cannot see anything in the Bill that will control such behaviour. It could occur again in spite of the legislation.

The first part of the Bill deals with transport. The first clause deals with liquor on a public service vehicle on the road or on the railway, but the worst trouble occurs at Ipswich when five or six people hire a beaten-up old van. They arrive in the town with crates of drink in the back. By the time that the jalopy arrives in Ipswich its passengers are as drunk as lords. They fall out of the back and sides of the van. I do not see how the Bill will solve that problem. Such people come in swarms. The Suffolk police do a very good job, but nothing in the Bill will tackle that problem.

Football violence is a complex problem. I accept the Government's explanation that this is a piecemeal approach to a difficult problem, but I wonder how piecemeal it is. I believe that it will be ineffective in tackling the main source of the difficulties. The innocent will be punished with the guilty. I suppose that that is inevitable. Most people can go to a football match, have a bottle of beer, and perhaps even another bottle if they lose the three points, without causing any harm to anybody. However, today we are legislating against the minority whose loutish behaviour disgraces the game.

When I read about the serious trouble in Cambridge some time ago, I realised that some of the people who orchestrate the trouble are very sinister indeed. They are not drunks. Some of the hard men behind the trouble are stone cold sober. In some cases such people organise the violence. I am not arguing to what extent that occurs, but it is a factor.

In one area the Bill is absolutely correct. I refer to clause 9(6), which states:

"This Act does not apply to any sporting event or proposed sporting event—

(a) where all competitors are to take part otherwise than for reward, and

(b) to which all spectators are to be admitted free of charge."

The assumption underlying the clause is that money corrupts the game in Britain. The assumption is that it is not a game any more, but a commercial business. Some of the hard people in the game act in the way that people always act when large sums of money are involved. Some aspects of the game fill me with dismay. The game has not only been corrupted by money. It is big business, involving avarice and greed. People are paid—players and managers alike—far beyond what they are worth.

Some of my unemployed constituents—if they can afford to go to a match—looking at the game from the terraces and knowing that the players can be paid as much as £1,000 a week become discontented, and no wonder. They feel that it is easy money, and that has corrupted the game. Think of the transfer fees. For years and years the clubs have taken from the game without thinking of providing decent facilities for the supporter on the terraces. Often supporters are herded off the terraces like cattle. Who cares, so long as they have paid their money? Nobody. Only when the game has reached a crisis do people think about it.

I intervened in the speech of my hon. Friend the Member for Bassetlaw (Mr. Ashton) to draw attention to the structure of the game. Basically, what is wrong is that the game is in dire poverty, for one reason—the market has shrunk and dwindled. It will continue to dwindle, but the number of clubs will remain the same. The costs for each club have grown, but their revenues have shrunk. Only when we face that basic problem will we cure that poverty and make the game a decent one for spectators.

The main root of the problem lies elsewhere. We have not faced the basic problems of football violence. The details are complex, but the profile of the problem is simple. There is a hard core of people who are determined to ruin the game through hooliganism. They do not come to watch the game. They come to look for trouble and to fight. We know that those people exist. We need first to identify them, secondly to apprehend them, especially if they are frequent offenders, and thirdly to punish them.

The problem is one of social terrorism by a minority, and the solution requires a parallel with military intelligence. We need to know who these people are and where they go. We must be vigilant and monitor these people so that on any Saturday afternoon we know where the flotsam and jetsam are drifting to make trouble. With that kind of advance intelligence it would almost be possible to plot a graph from the fixture list to discover where trouble is likely to occur. It would be possible to eradicate soccer hooliganism if we were in possession of

such intelligence so that the police could mobilise their resources and take action. The problem is not insuperable, but we have not faced it in a strategic way.

In analysing the problem, one should not simply consider the bad areas. It might be better to consider the places where the situation is good and see why it is good. I do not recall much serious trouble in Ipswich in the 10 years during which I have been watching Ipswich Town football club. The reason is that someone has thought through the whole problem strategically.

When the visiting fans alight from their coaches or trains, the police are waiting to escort them to the ground. My hon. Friend the Member for Bassetlaw is concerned about the way in which the police treat visiting fans, but the citizens of Ipswich are very glad that visiting fans are met at the railway station and escorted to the ground. When they get to the ground, they are segregated in a big wire cage. In effect, a large crocodile from the train is taken under escort to the turnstiles and then put into a cage. The fans watch the game from inside the cage and when it is over a voice on the Tannoy tells everybody to stand firm, as the visitors will be let out of the ground first. The home supporters remain while the visiting fans are escorted back to the train. One wonders whether it is worth watching a football match if such a process has to be endured, but very little trouble arises, because strategically the crowd is under control.

After reading the Bill I went to see the managing director of Ipswich Town football club and its legal advisers. We went through the Bill clause by clause. There should not be one law for the rich and one law for the poor when it comes to drinking at football grounds. I would not argue that for one moment, but if there has never been trouble from a certain area of the football ground, experience suggests that a different sort of discretion should be exercised there than in another area where trouble may have arisen. When there is bother at Portman road, Ipswich Town's football ground, it always comes from the north stand. Consequently, the police have shut down the bars in that stand. The good clubs in this country have put many of these measures into operation already.

The proposals covering executive boxes at football grounds will be a body blow to Ipswich Town. The boxes are within sight of the Portman road ground, but there is a let-out, because they are not licensed premises and thus do not come within the terms of the Bill, which cover only licensed areas from which one can see the match. I may be wrong, but my legal advice suggests that that is the case. The proposals in clause 3(1)*(b)*, however, will seriously affect Ipswich Town football club, because the drink sold in the executive boxes has to be brought from the licensed premises in other parts of the ground and the off-sales provisions in the Bill will prevent that.

There has never been any trouble in the executive boxes. People come to watch the match, they have a drink and they go home. A magistrate or whoever else looks at this problem should exercise the utmost discretion in such situations. Where there has never been any bother, one should let sleeping dogs lie rather than look for trouble. I sympathise with the police when they are trying to get the fans into the ground as quickly as possible. It will upset the temper of the crowd if that process is impeded while the police search for liquor.

In most cases, the general run of spectators will be penalised by the Bill while those in the executive boxes will not, but in Ipswich the reverse will be the case. The general body of spectators will not be penalised, because they will drink outside the perimeter of the ground, but that will not be wholly effective, because a fan can drink in one of the bars, duck under the open arch and join the body of the crowd, do the same again five minutes later and repeat the process any number of times. One can drink out of sight of the ground, but there will be no effective control, because fans can enter and leave almost at will.

It would be possible to adopt the course suggested by the right hon. Member for Castle Point (Sir B. Braine) or that proposed by the hon. Member for Bury St. Edmunds (Sir E. Griffiths). First, alcohol could be banned completely. Secondly, alcohol could continue to be sold. The third solution, the half-way house, is almost bound to fail. There would be too many anomalies. The Bill's provisions will not work in practice. Therefore, I am afraid that the legislation will have a limited impact.

8.20 pm

Mr. David Ashby (Leicestershire, North-West): It is sad that there has not been a general debate on this subject. A year ago I initiated a debate on sport, but although questions have been asked and statements made about football violence and hooliganism, we have not had a general debate on the subject. It would have been very helpful if such a debate had been held before the introduction of the Bill so that we could examine the wider aspects of the problem.

The right hon. Member for Manchester, Gorton (Mr. Kaufman) said that he did not know what caused football hooliganism and that therefore he could not provide a solution. It is no use criticising previous Ministers and previous Governments for not having tackled the problem. It will continue for a long time, and there is no absolute solution to it. The Bill does not seek to provide a complete solution. It deals only with that part of the problem that is attributable to alcohol. To say that football violence is wholly attributable to alcohol is as bad as to say that it is attributable to unemployment. The two do not necessarily go hand in hand.

I am convinced that the violence exists on two levels. I agree with every word in the speech of the hon. Member for Ipswich (Mr. Weetch). He dealt fully with organised violence. About 200 followers of Tottenham Hotspur and about 200 followers of Millwall and Derby plan violence. Some, although not all clubs, have followers who get together on the Thursday or Friday before a match to plan how they will "take" the other end. It is territorial. They plan violence not only within football grounds but outside them. Various studies have been undertaken. One very interesting study was undertaken by Leicester university, which is working closely with the Home Office.

Those who meet before matches would not dream of drinking alcohol. They might have an orange juice in a public house, but to drink alcohol would mean that they were not quite so fit and able as they need to be to carry out planned violence. These people are not drunk when they look for their opponents. They recognise each other outside football grounds. They make certain signs to one another, and they dress in certain ways.

If one asked them, they would say, "We can't really say how we recognise each other; it is just that we do." Then they indulge in violence by attacking each other. It never crosses their minds that they are committing an offence. They think that it is wrong that they should be arrested and that their violence should be interfered with. They look

[Mr. David Ashby]

upon it more as a prize fight—as consenting youths or adults fighting one another. That is the main cause of violence in the streets and in football grounds.

These people are not to be found in the ranks of the unemployed or in the National Front. They are bright, intelligent and employed. I am not absolutely sure about this, but I believe that the leader of the Tottenham Hotspur group is a factory manager who is about 25. He can marshal his forces very well.

The second level of violence is dealt with in the Bill. The people who are drunk arrive at football matches and are used by those who are not drunk but who are violent. Because they are drunk they react in the wrong way. That leads to the next stage of secondary violence. It is that form of violence with which the Bill attempts to deal. Since these people are drunk, they are prone to violence and are easily aroused. They easily misunderstand the signals that are given by the major groups.

The hon. Member for Liverpool, Walton (Mr. Heffer) referred to the Everton supporters who recently went to Holland. I met some of those supporters, and they said how happy a journey it was. Part of the happiness of that journey was attributable to the fact that they were able to drink vast quantities of alcohol and that they were drunk for most of the time. But it did not lead to violence. Reading between the lines, I think that, although they were making a nuisance of themselves, other people were prepared to let them be.

I wonder whether their journey to Holland would have been quite so happy if the police had not laughed at them but had arrested them when they were singing at two o'clock in the morning. That is the kind of borderline that drink creates and it is a problem that we have to examine. We cannot simply say that the Everton match in Holland was a happy event and that everything went well. Many of the people at that match were drunk for most of the time. It could easily have been an unhappy rather than a happy occasion.

I met some of the Liverpool supporters who had been in Brussels. They too said that, before the match, it had been a happy visit, but, again reading between the lines, it is clear that many of them had been in Brussels for three days and that for most of that time they had been in a drunken haze. They spoke about the atmosphere getting tense on the day before the match because of the attempt to segregate them, the interference and the attempt to impose some control which they did not like. When somebody is drunk, the borderline between violence and non-violence is very thin. That illustrates the need for the Bill.

The mounting violence during last season, culminating in the dreadful scenes in Brussels, led to the introduction of the Bill. We have rightly condemned what happened in Brussels, and rightly we as a country have to take responsibility for it. Both I and my hon. Friends have spoken strongly on the subject. It is unfortunate for the innocent that we have had to adopt such a stance. The Bill is another step along that road.

An analysis of what happened at Brussels—we are still waiting for the full report—will show that there was an element indulging in the organised violence to which I have referred. I have also spoken to people in Z, X and Y sections of the stadium who confirm that many people had drunk too much and went along with those who organised the violence. The harrowing pictures of the Turin supporters when they returned and spoke of the English supporters saying, "Birra, birra, birra"—drink, drink, drink—shows the image of the British supporter abroad. It is of a drunken lout who does not go to see a football match, but sees the spectacle through an alcoholic haze. It is a sad image.

As we know, this is not the first time that there has been trouble. The right hon. Member for Gorton has referred to the events in Rome. I remember the events in Turin in 1981 when Juventus met a British team—which again, I think, was Liverpool. There were frightening episodes. They were not too bad in Turin, but along the whole of the Ligurian coast three or four coach loads of British supporters beat up the towns. They started in the town of Celle and moved on to Savona, where the youth of that town met them. The British supporters had been staying in hotels and had been drinking for three days, and most of their weapons were empty wine bottles. It is a sad reflection on British football that such things should happen.

There is a need for better policing. After the incidents at Brussels, why did we not have at least 300 policemen at the ports of entry to the United Kingdom waiting to take the names of those coming back from that football match? The police could have found out where the supporters had been standing or sitting, taken the names and addresses of the supporters and interviewed them later. They could have found out whether the supporters had anything relevant to say which they could have followed up later. The police could then have showed them photographs and asked whether they recognised the people on them. They could have produced a whole dossier of the case and presented it to the Belgians saying, "We can't help you more than this. We have now investigated the case. We have gone ahead with our investigation rather than ask you to come here. Now you can carry on with the proceedings from this evidence. We have given you all the assistance we can."

That is what we should have done; it was our duty to do it. However, we left it too late—we left it until the supporters had come back. It is only now that we are trying to identify people. We face the same problems every time. To convict, one needs evidence. We cannot say that we shall convict people generally or a group. Evidence must be found. We should have helped with the evidence immediately. It is getting more difficult to provide it now.

One of the great assets will be video recordings. At least we can then see offences being committed and identify the guilty person — with a good enough picture. Video recordings are a good deterrent. Detection is the deterrent that will succeed in the end. My experience of criminals is that it is fear of detection rather than the sentence which deters them.

The Bill is a good step and I support it, but we must go further. Its ambit might be too wide—I do not like the idea of designation of rugby and cricket grounds being open to the Secretary of State. There should be another Bill for each of those, and they should be debated separately.

Football has proved the need for designation. We are all satisfied of that, but we must all realise that the Bill is only a small step. We must be able to get the evidence of wrongdoing in grounds and outside them. Much of the violence occurs in areas surrounding grounds. Moreover, there is not a great deal of evidence to suggest that all the violence is done by drunk people.

Drunkenness is a difficult evidential point. The old offence of being drunk in a public place involves police officers standing in a witness box and saying that the defendant's eyes were glazed and his breath smelt of alcohol, so he was drunk. It is then argued that the defendant's eyes are usually glazed—a phenomenon that I detect in the Chamber now—and it is discovered that what was considered slurred speech is normal. I wonder whether it is possible to be a little more specific about drunkenness. We now have marvellous machines which must only be inflated by the suspect to give a measurement of blood alcohol levels, on the basis of which people can be deemed to be drunk. Evidentially, that would be far more acceptable.

I support the Bill as a step in the right direction.

8.38 pm

Mr. Robert N. Wareing (Liverpool, West Derby): I am pleased to speak after the hon. Member for Leicestershire, North-West (Mr. Ashby), as he mentioned Everton football fans in Rotterdam. I am probably the only Everton fan in the House who was at the Feyenoord stadium for the European cup winners cup final.

I have followed soccer in the city of Liverpool for 35 years. I have watched matches at Everton and at Liverpool and seen those clubs play in other parts of the country. Although the Bill has the Opposition's support, it is a damp squib compared with the problem that it is supposed to tackle.

None of us wants to see drunkenness that leads to mindless violence, but in my experience of watching football in this country and abroad it does not seem to be the prime reason for our problems. Years ago people had drinks before football matches, they travelled to away matches, and they were not segregated in football grounds. The problems we now face are far more deep-seated than the Government are prepared to admit can be dealt with by the public order legislation which is promised in the autumn.

We cannot deal with this problem unless we get to grips with the society in which we live. One hon. Member talked about drunkenness in the Soviet Union, but apparently the drunkenness that Mr. Gorbachev has admitted exists in the Soviet Union does not lead to the type of mindless violence we see on our football terraces.

Mr. Ashby: Yes, it does.

Mr. Wareing: There has not been the same amount of evidence of that.

Nevertheless, I would strongly argue that we have to look at the fact that our society is based upon an economic system which is very much biased against the poor. There are large numbers of people whose horizons are and will continue to be limited until we have a better distribution of resources to enable all people to live in a classless, not class-ridden, society, with values which are reflected on our television screens.

The influence of television on violence has not been mentioned, although one hon. Member perhaps did mention that thugs like a theatre and like to see television cameras when they are acting. Much of our television viewing involves mindless violence, and it can be regarded as a transatlantic sewer letting out the worst type of pollution from across the Atlantic ocean. Nobody wants tight censorship, but television could be an instrument for good in our society—something with which it cannot presently be charged.

Clubs on Merseyside and in other parts of the country, such as Norwich City, have been wrongly victimised as a result of events in Brussels. Having witnessed soccer on Merseyside closely over the years, and as my hon. Friend the Member for Liverpool, Walton (Mr. Heffer) stated, I know that Liverpool and Everton supporters can be together in the same football ground, whether at Anfield or Goodison park, see their team win or lose, and emerge from the ground as friends. There is no need for them to be segregated. At the Liverpool football ground the Anfield road end is for visiting supporters and the Spion Kop is for Liverpool supporters. Although an Everton supporter would prefer to be at the Anfield road end during a derby match, he can quite conveniently see the match in the Spion Kop without being attacked. Families on Merseyside are mixed in terms of soccer. As fans they are split between Liverpool and Everton. As one of my hon. Friends has already said, they travel to matches together. When Liverpool and Everton played in the Milk Cup at Wembley in 1984 there was no serious trouble. The people of Merseyside are no angels, and some of them get into trouble, but there was not serious trouble at the Milk Cup final or at the subsequent Charity Shield match at Wembley last year when Liverpool and Everton played.

In the six weeks prior to the tragedy in Brussels I travelled with the Everton football team to Munich and Rotterdam, and at the magnificent Olympia stadium in Munich there was no real segregation and no trouble. The fans of the Everton and Bayern Munich teams were wearing one another's favours. During the night in Munich I felt a little cold and wore a Bayern Munich cap. I can assure right hon. Members and hon. Members that they will not see me in the precincts of the Palace of Westminster wearing such a cap.

I do not know where the hon. Member for Leicestershire, North-West meets Liverpool and Everton supporters, but I can tell him that at Rotterdam the fans were boisterous. People cannot be expected to go to a football match and not be a little boisterous. If they were all public schoolboys, they would be described as high-spirited, but when working-class youngsters engage in boisterous behaviour it becomes hooliganism.

At the Feyenoord stadium, which is better than the one in Brussels, most spectators were seated, which is an additional advantage. It does not necessarily solve the problem, but it is advantageous to have an all-seating arrangement. The Feyenoord stadium might be used for another cup final in the future, but one complaint of mine is that fans are not allocated specific seats; they are allocated to a specific part of the stadium. I do not know whether that was the case in Brussels, but it could lead to problems. In Rotterdam there was no trouble at all. The hon. Member for Leicester, North-West talked about people drinking overmuch, but I travelled on the train between Rotterdam and Amsterdam and saw no evidence of serious over-drinking among the overwhelming majority of fans.

Let us not forget that even though the fans were segregated inside the stadium — it is true there was segregation in Rotterdam with the supporters of Rapide Vienna at one end and Everton supporters at the other—when they emerged from the ground, whereas in Britain the police escort the away team's supporters back to the

[Mr. Wareing]

railway station, there was nothing of that sort. The fans of Rapide Vienna and of Everton mingled quite pleasantly together. When travelling by taxi to the railway station in central Rotterdam, the taxi driver told me not to be surprised if the station was closed because previously there had been trouble from English fans. The Rotterdam central station was not closed on the night of the European cup winners cup final.

If there was danger in following sport on Merseyside, I would not subject my 10-year-old nephew to it, but for the past three years I have been taking him to see football matches at Goodison park and Anfield in perfect safety. Because I know that his safety will be assured, I shall continue to take him to watch football in the city of Liverpool. I would be apprehensive about other grounds in the country, but not those at Everton and Liverpool.

We are told that we must have this Bill because similar legislation has been successful in Scotland. I do not want to insult any of my hon. Friends from north of the border, but I argue that the case that alcohol creates hooliganism is not proven. The problem of hooliganism has not been solved north of the border. The problem of alcoholism may have been solved, but it is interesting to relate that the only reason why Everton was playing Rapide Vienna in Rotterdam was that the Austrian team had appealed against a result in an earlier round of the competition when it had been defeated by Glasgow Celtic. Rapide Vienna appealed, because members of its team had been attacked by supporters of Glasgow Celtic, and UEFA ordered that the match be replayed. It was replayed at Old Trafford, and on that occasion Rapide Vienna won. Even then, Rapide Vienna complained about players being attacked.

I am not suggesting that Glasgow Celtic should be banned from European competitions. It would be as wrong to ban a football team because of hooliganism that is inherent in society as it would be to close Liverpool Philharmonic hall or the Royal Festival hall because one or two people had been drunk and disorderly inside those concert halls.

Dr. Norman A. Godman (Greenock and Port Glasgow): My hon. Friend referred to supporters of Glasgow Celtic—a club that my wife has supported for many years. It would have been more accurate if he had referred to two supporters of Glasgow Celtic. There is no doubt in my mind—I support Greenock Morton—that there has been a dramatic diminution in football hooliganism north of the border. I accept what my hon. Friend says about the Bill not being the complete answer to the problem.

Mr. Wareing: I accept what my hon. Friend has said. I shall not stress the Glasgow Celtic connection in view of his dear lady's support for that team.

The term "supporters" has to be used carefully, because I understand that the majority of the people being interviewed by the Merseyside police are not from Merseyside. In Brussels there were many people with cockney accents who were wearing Liverpool scarves.

Not all that long ago, the Prime Minister ordered that the England-Scotland match should not be played at Wembley but should be transferred to Hampden park. Was that to keep the sober Scots away from Londoners or to prevent the drunken Londoners going to Hampden park? That was a ridiculous decision.

There is an element here that should be considered seriously, but we are in danger of sweeping it under the carpet. Some hon. Members have already mentioned the Fascist connection. In Liverpool, the National Front and Fascism have very little support. They rarely put up candidates for election. When they do, those candidates fail abysmally against the traditional parties. Ministers should consider seriously the statement of John Smith, the chairman of Liverpool football club, that he was confronted by supporters of extreme Right-wing organisations.

We have heard that the National Front was recruiting members on board the ferries to Belgium. The *Tribune* of Friday 24 May—only five days before the Brussels disaster—pointed out that Italian Fascists were in this country meeting with extreme Right-wing British Fascists and obviously plotting to do us no good. We have had evidence about Oxford United National Front supporters going to Blackburn Rovers and being photographed with a Union Jack with a swastika in the middle—an insult to our national flag.

To ignore the Fascist element is to trample on the graves of the millions who fought against Fascism 40 years ago. There has been evidence of the Chelsea National Front being in Istanbul. How do these people get the money to travel such distances? We should find out who is at the back of the Fascist organisations with the coffers out of which fans can get money to go to Mexico and Finland to create disturbances. Italian Fascists were very much in evidence in the Heysel stadium. Indeed, the insignia of the Ordine Nuovo, the extreme Right-wing Fascist organisation in Italy, was emblazoned on one of the Italian flags on display that night.

All right, let us pass the Bill. I shall certainly support it and give any support necessary to any Government who are striving to get at the wrongdoers. If the wrongdoers are drunks, the Government will have the support of all the people on Merseyside in dealing with them.

The Government should not stop there. They should investigate some of the criminals who are in this country now, such as Clemente Graziani, one of the founders of the Italian Fascist new order, and Roberto Fiore, an interesting case, who is residing in a flat in the same apartment block as the Secretary of State for Transport. Perhaps that should be investigated. Let us find out what these people are doing. I understand that one or two of them are wanted by the Italian authorities in connection with their investigation of the Bologna railway station bombing.

In regard to our home-grown variety, my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) has referred to the dreadful publication *Bulldog* with its league of louts. That should be considered. We must get at the instigators of violence; we should not depend only on getting at those who are dragged behind because of alcohol and the herd instinct. I ask the Government not to regard our support as easy support for the Bill. More than this is needed. The Government should investigate the people, whether they be rich or poor, who are behind the Fascist movement which is instigating trouble in football. They should not expect to solve the problem by this mouse of a Bill.

9 pm

Mr. Douglas Hogg (Grantham): Unlike many other hon. Members who have spoken in the debate, and in

particular unlike the hon. Member for Liverpool, West Derby (Mr. Wareing), I do not have any football anecdotes to relate. I have to confess that my knowledge of football is limited, and that my interest is even less, but I do have an interest in legislation, and I fear that this legislation is in some respects unsatisfactory. It is clear that in bringing forward the Bill the Government are very properly reacting to a sense of horror and concern throughout the country. I am sure that the Government are right to identify alcohol as a significant, if not a substantial, cause of some of the violence and hooliganism that has taken place.

My criticism is not of the main objective of the Bill, but rather of the means that have been adopted to achieve that main objective. The Bill goes too far, in that the powers that it confers upon the Secretary of State are unnecessarily wide. It is perhaps desirable that one should understand exactly the scheme contained in the Bill, because it is extremely wide-ranging. The Bill gives the Secretary of State virtually unfettered powers to designate sporting grounds and sporting events as being grounds and events to which the provisions of the Bill shall apply. I say virtually unfettered powers because the power is subject only to the negative procedure.

As the House will know, the negative procedure is an extremely unsatisfactory way of controlling secondary legislation, because under the negative procedure the House can only either accept or reject the proposals contained in the statutory instrument. It cannot amend a statutory instrument and therefore the negative procedure is an extremely blunt weapon for dealing with delegated secondary legislation.

As I said, the Bill gives the Secretary of State virtually unfettered power. It will enable him to apply the provisions of the Bill to, say, cricket, tennis, rowing, athletics, boxing or any other sport. That is the power that we are giving to the Secretary of State.

We ought also to realise that the restrictions in the Bill are far-reaching, and are essentially three in number. The first restriction is on the right to possess intoxicating liquor in the designated sporting ground. It may well be that in the context of football that is a perfectly acceptable restriction, because the event is of fairly short duration, but I question whether it would be acceptable if the Bill were to be extended, as it can be, to cricket, to tennis, to Henley or to any other sporting event where alcohol is commonly consumed. We have to contemplate that happening, because the Bill enables it to happen.

The second point about these restrictions is that the Bill prohibits the possession on a sporting ground of what is called a controlled container. Within the meaning of the Bill, a controlled container is any container capable of containing liquid and capable of causing an injury. The truth is that any container capable of containing liquid is capable of causing an injury if thrown, and therefore all containers are controlled. We know that bottles of beer are obviously controlled containers, but so for that matter is a hip flask or a Thermos flask, or a can of Coca-Cola or even one's wife's scent bottle.

Those are all controlled containers and one has to ask whether it is right to prohibit people from carrying these things to a designated ground. In the context of football the answer might well be, "Yes, it is, because it is an event of fairly short duration," but if one were to raise that question in the context of cricket, would it be reasonable to stop somebody taking a Thermos flask or a carton of milk to a cricket match, which, after all, goes on the whole day, no doubt in hot weather? When one begins to test the Bill, one comes to the conclusion that perhaps it goes a little too far.

The third restriction is on the right to sell alcohol within the designated ground. I shall not cover the points made by many other hon. Members, save to say that it is clear that this prohibition can impose quite substantial financial hardship. Again, that may be necessary in the context of a football match, but I question whether it is acceptable in the context of the other activities to which the Bill can be applied.

I believe that the Bill goes further than it should. We have the problem of violence at football grounds. Clearly we must tackle it, but we must be careful not to use a method which carries it too far.

I can see that it is convenient for the Secretary of State to have power to extend the provisions of the Bill to any sporting event which may cause trouble. I can see that it may be convenient to the House not to have to consider primary legislation in the future if, for example, we have trouble at boxing matches. Although these arguments are of considerable pragmatic worth, I question whether we should be doing that.

In essence, we are giving the Secretary of State power to enlarge the ambit of the criminal law. We are giving him power to impose penalties, sanctions and prohibitions where presently there are none. I do not like that being done by delegated secondary legislation. We should have the courage to apply the Bill to what the House wants to apply it to, and that means defining the grounds or the events in the Bill. If that cannot be done, let us try to formulate some restrictions or limits on the power of the Secretary of State to enlarge the scope of the activities covered. Do not let us extend the criminal law by way of delegated legislation. I find that offensive in principle, and for that reason I find the Bill unsatisfactory.

9.7 pm

Mr. Derek Fatchett (Leeds, Central): I am sure the hon. Member for Grantham (Mr. Hogg) will understand if I do not take up the many detailed matters that he raised. I agree strongly with the central principle of his speech —that we should not delegate too much legislation in the way that the Bill does.

The city of Leeds has unfortunately been associated for many years with the problem of football hooliganism and football violence, and it is important to put on record the efforts that have been made by Leeds United to overcome the problems. For some years, the club's directors have taken steps to improve the record of the club. Talking to local residents and the police locally, it becomes apparent that at Leeds United home matches there has been a significant improvement in crowd behaviour. It has been achieved at a cost to the club in making ground improvements and in the number of police that have to be used for crowd control. I agree with my hon. Friend the Member for Bassetlaw (Mr. Ashton) that it has been at a cost to away supporters, who come to Leeds station and are escorted to the ground by the police. But there is a sensible reason for that. If it was not done, people living around Elland road would pay a heavy price.

All that has been done, and it has improved the record at the Elland road ground. Unfortunately, the club has a very bad record away from home. During last season, we had trouble at Huddersfield, Barnsley, and in the last match of the season at Birmingham.

[Mr. Derek Fatchett]

I make three brief points about the Birmingham game. The first is that the game was played in a dry ground. The Government's proposed legislation would have no effect on what occurred there.

Secondly, I invite hon. Members to consider the number of arrests made and the addresses of those arrested. Very few of them came from the city of Leeds and very few of them from west Yorkshire. Unfortunately, in common with a handful of other clubs, Leeds United attracts an element of support from many parts of the country, and that is clear from the addresses of those who were arrested at the Birmingham game.

Thirdly, the game at Birmingham could not have been an all-ticket match. It became important only five days before it took place, because the club was in with a chance of promotion from the second division. Nobody expected that. It came about because of certain results in the football league second division, which meant that the game attracted additional importance. Therefore, we cannot simply stipulate that all games should be all-ticket matches because at one stage they may not be important and later they may assume importance.

We should not forget what clubs have tried to do, and the wider context of the problem. Leeds United and other clubs attract some supporters who look for trouble. It is difficult for both the club and the police to control them. Some of my hon. Friends have referred to supporters who seem to make it their business to plan trouble at away matches. Elland road has attracted what is called the service crew, which goes to away matches, not on public transport and special coaches, but in minivans. They arrive early, drink in pubs in the city, and often stand with the home supporters and cause trouble. The Government should take such groups seriously, because evidence suggests that there may well be Right-wing extremists infiltrating them. The service crew is a typical example of the problem groups that some clubs must face.

The Bill is not of tremendous importance, but we shall support it. The problem of alcoholism does not take place in the grounds. The Bill would have been more satisfactory if it had taken into account the many supporters who travel by minibuses and buy beer from supermarkets, because they form one element which arrives at the ground drunk and causes trouble. The Bill does not and cannot deal with the problem of pubs around the ground. Perhaps the police need to use their power to close those pubs to ensure a dry area near the ground. In those respects the Bill is unsatisfactory.

If the Bill is the Government's response to football hooliganism, it is unsatisfactory. Much more money should be made available to buy the video equipment that is necessary to detect those who commit offences on the terraces. At the Huddersfield-Leeds United game the video equipment was so effective that the police officer who manned it has been attacked by hooligans. The Government should make money available to the clubs for that equipment, to improve the quality of the grounds, to make the grounds easier to police, and to bring the grounds into the community. As my hon. Friend the Member for Ipswich (Mr. Weetch) said, it is sad that in the golden days of British football money was not used effectively to bring football into the community. In many respects football was divorced from the community. I hope that the Government will make money available to extend the facilities at football grounds to a wider section of the community so that they are used more extensively, not only on match days but every day.

I hope that the Bill is merely the start of the Government's reaction, that they see the deep-seated problems of football hooliganism, and that we shall be able to continue this debate on other occasions and get to the nub of the problem, which besmirches the name of British football.

9.14 pm

Mr. Robert Hicks (Cornwall, South-East): In view of recent events, no one would wish to minimise the problems associated with crowd control, violence and hooliganism at football matches. For that reason, I support the intentions behind the various provisions in the Bill. However, I am worried about many specific aspects.

The Government have acted speedily and resolutely in response to a worrying sequence of events that in certain cases has involved violence and even fatalities that no civilised society could tolerate. Although the need for this emergency legislation is not in dispute, it does not alter the fact that Parliament must try to get the details right, and that aspect worries me.

Certain facets of the proposed legislation demonstrate a lack of understanding of the structure of professional football in Britain. As a consequence, some of the objectives of better and more effective crowd control, to which we all subscribe, could be jeopardised if the Bill were passed in its present form.

Then there are the wider implications. My hon. Friend the Member for Grantham (Mr. Hogg) explained the consequences of accepting the Bill as drafted, with the wide enabling powers which it would give to the Secretary of State. It is clear that conditions that apply at football grounds, in response to which the Bill has been produced, may be entirely different from those relating to cricket, rugby or any other sporting activity.

I shall illustrate my concern in two ways, one in general terms and one in particular. In general terms, it is important to remember that football is our national sport. It is watched on average by 500,000 spectators every Saturday. The hon. Member for Ipswich (Mr. Weetch) said that because over the years the numbers watching had declined, in consequence the number of clubs should be reduced.

In addition to those who watch, many millions more are involved, be they watching football on television, following their own teams—from Everton at the top of the first division to Torquay at the bottom of the fourth—doing the pools or whatever. In other words, the very structure of our football league system is important to perhaps 20 to 25 per cent. of the population. That is why the Government must be careful before introducing legislation that could harm the fabric of our national game.

In relation to the particular, I refer to the proposed changes in clause 3 regarding

"the sale and supply of alcohol at licensed or registered club premises situated in a designated sports ground for the period of any designated sporting event."

Many larger clubs derive considerable revenue from executive boxes. At Tottenham Hotspur, as hon. Members have pointed out, the 72 boxes, costing on average £10,000 each, provide a revenue, before any drinks or food are sold, of £750,000. That income is reinvested in

ground improvements, which in turn provide greater crowd safety, which in turn ensures that the level of attendance is maintained.

That is vital not only as income to larger clubs but because of the spin-off by way of the attraction of sponsorship, the football pools and the 4 per cent. pool contribution. All those factors have an impact on the smaller clubs. My local football team, Plymouth Argyle, last year received £48,000 from such sources.

I hope that the Minister will consider the question of the serving of alcohol in executive boxes which overlook the grounds. The amendment suggesting that alcohol should be served up to half an hour before a game and thirty minutes after the conclusion of the game is a sensible one. I hope that the Minister can say that he is prepared to respond to this positively. This income is significant for football clubs and thus for the structure of professional football. Plymouth Argyle was contemplating the building of eight executive boxes this summer. Unless the Bill is modified, Plymouth is highly unlikely to go ahead with the scheme. Therefore, potential revenue to the game will be lost.

I believe that the problem of alcohol is associated with the consumption and purchase of drink before the game. I support the provisions for tackling the problem, but I hope that we will not allow over expectation to develop.

With regard to the point made by the hon. Member for Bassetlaw (Mr. Ashton), I agree that there is an increasing tendency in the country to respond to the activities of a small minority, thereby preventing the great majority of the public going about their lawful interests such as enjoying their recreation and leisure pursuits. While this applies to football grounds and alcohol, it is also a much wider problem. If we are not conscious of the danger of responding too quickly to a range of situations, we will prevent the great majority of people from doing anything at all.

9.21 pm

Mr. Roland Boyes (Houghton and Washington): The Government, in aiming to solve the problem of football violence and hooliganism, would have done better to start with a leaflet which I sent to the Home Secretary over two years ago. In the leaflet, which was handed out at Newcastle United football ground, the National Front claimed that Newcastle was only second in the National Front football league, but said that it was going to Chelsea the following Saturday to prove that it was the champion.

The Government are trying to tackle the problem by means of minor and relatively unimportant legislation. I would have preferred them to strengthen police powers and instruct chief constables to act as speedily as possible in removing people who shout Fascist and racist slogans at football matches.

Secondly, we are tending to punish the innocent, and, as someone who supports a small club—Hartlepool—I am particularly sorry about that. I am proud of the club in Hartlepool, despite the reaction of some Conservative Members. I feel strongly about Norwich City, a small club which has done exceptionally well. I say this openheartedly, because Norwich City beat Sunderland, the area which I represent in Parliament and the team which I follow weekly. I mixed with the crowds at that game and sat among Norwich supporters, and not one iota of trouble occurred at the ground or when the crowd left the ground. While they were on the tube train, the Norwich supporters were sympathising with the Sunderland supporters because their team had played particularly badly that day and pointing out how that had happened to them on a previous occasion. Adopting the theme of my hon. Friend the Member for Bassetlaw (Mr. Ashton), I feel that to punish the innocent in this way should be no part of the Government's objective.

Mr. John Powley (Norwich, South): I concur with the hon. Gentleman's remarks about the club in my constituency, Norwich City. I agree wholeheartedly about the good behaviour of both the Norwich City and Sunderland supporters during the Milk Cup final. Supporters can be well behaved and can get along together, provided that the right set of circumstances prevail. That has been shown by those two sets of supporters.

Mr. Boyes: I welcome the hon. Gentleman's remarks.

I abhor violence wherever it occurs, but especially at grounds which play such an important part in my life. I have no vested interest in the Bill, because never, under any circumstances, do I drink alcohol. I abhor drunkenness, whether in this House or at football matches. The police should have power to remove people from grounds if they are in an intoxicated state and are causing problems.

In addition to our concern about the activities of Right-wing groups, the clubs have a responsibility to segregate the crowds. My hon. Friend the Member for Bassetlaw has already made that point. I attended the Chelsea-Sunderland match last season, when rioting began in the stands. I was hurt when I was trapped by rioting fans. Therefore, I address my remarks not only to the House but to the football clubs, which have a duty to ensure that visiting supporters are not allowed free access to the stands when they can mix with home supporters. I believe that almost 3,000 games of football were played last season, but only eight incidents were referred to the football League because of violence or a similar problem.

Sunderland football club has private boxes, from which it gains £60,000 a year. There has never been an incident in any of the boxes. One hon. Member said that we do not want to create different classes at matches by banning drinking in one area but allowing it in another. Jack Dunnett, president of the football league has put forward three proposals. He suggests that licensing justices should have discretion under clause 3(2) to license any part of the ground, on the basis that justices can take into account local conditions, a club's previous record and the type of spectator to be found in a particular part of the ground. In other words, if a ground can satisfactorily demonstrate to magistrates that it is trouble free, the magistrate should allow it to sell alcohol in approved areas. To take revenue from a club such as Sunderland, which with other sponsorship grants could amount to £200,000, would leave the club with some difficulty.

The general manager of Sunderland has told me that after every game he and his colleagues hold a meeting with senior police officers to review the game, to determine whether there have been any problems and to decide how the ground can be made more efficient and effective. When I say problems, I am talking about assisting the police.

Football needs additional cash. My hon. Friend the Member for Leeds, Central (Mr. Fatchett) suggested a

[Mr. Boyes]

video system. It would cost Sunderland £50,000 to instal a suitable video system to monitor the problems. Football urgently needs cash—first for safety at the ground, and secondly to assist with control. Therefore, as I have said before on other occasions, the Government should pay up; they should pay their bit. They should make money available to football clubs so that they can improve the grounds in the way that is needed.

The pools should give more money from the profits that they make. The pools get a good deal from football. They should put more cash into the game. There will be an amendment to the Finance Bill calling for a reduction in pools tax, which has been mentioned.

Football is a great game. All of us who have spoken have great affection for it. We think that it is an essential part of our lives. We want to see the game cleaned up, but let us tackle the problem where it occurs, and not just take a big sledgehammer to crack a nut by tackling the problem as if every club and every spectator behaved in the same way as a few idiots do occasionally on a Saturday.

9.31 pm

Mr. Peter Bruinvels (Leicester, East): I congratulate my right hon. and learned Friend the Home Secretary on bringing forward this excellent Bill. I should like to say, I believe on behalf of hon. Members on both sides of the House, that it is very welcome.

I was always keen on controlling hooliganism, in another interest that I had. My hon. Friend the Member for Suffolk, Central (Mr. Lord) also mentioned this matter. We must have strong deterrents to stop football hooligans once and for all. Unfortunately, being a football hooligan is nothing new, but it is something new for the Government to introduce a Bill on this important subject. That is what is to be welcomed.

I am a supporter of Leicester City football club, which is in the first division and is a well-behaved group. It always does well. It is a credit to the other football clubs in the area. I went to see the club play Tottenham Hotspur immediately after the troubles. I was impressed with what I saw. Unfortunately, Leicester did not win, but I saw no trouble. The police were not, as the hon. Member for Bassetlaw (Mr. Ashton) described them, hounding or herding football supporters. I went to the railway station to see Spurs fans being escorted to the football club at Filbert street. There was no trouble. The fans were led in a snake, but it was an orderly snake. The police got on well with the football supporters on both sides.

The morning before the police went to meet the football fans, there was a police briefing at Charles street police station, where I watched the police working out where there might be trouble. We were certain that if there were any trouble, the police would be there to prevent it. They did prevent it. There was no question of anyone being charged with an alcohol offence after or during the game. The directors on both sides supported the decisions taken by the referee. There was no difficulty whatsoever.

The idea of video cameras for crowd surveillance, suggested by Opposition Members, is a very good one, and has been tried out successfully in Leicester. It is only right that we should emulate the Scottish Football Association. The ban on alcohol being taken into the ground, introduced in Scotland in 1980, was correct. It made sense. If we follow the Scottish dimension for a change, I see nothing wrong in that.

I wrote to my right hon. and learned Friend about the banning of alcohol, and also to the Prime Minister. Several other hon. Members naturally did the same. I think that hon. Members on both sides of the House are concerned about increasing football violence. In my letter, I referred to the provision of identification cards. I should like to see a photo on those cards. I referred to the banning of alcohol in or around football grounds, stiffer sentences for hooliganism, publicity in local and national newspapers of all those who have been convicted for any offence of hooliganism, and the full policing of football matches, but remembering always that the police are invited into the football ground. They do not have an automatic right of entry.

I am a co-sponsor, with my hon. Friend the Member for Devon, North (Mr. Speller), of the Sale of Alcoholic Beverages from Garage Premises Bill. If garage chains such as BP allow alcohol to be sold in garage forecourt shops, that will be a temptation for the travelling football fans to get tanked up even before they arrive at the football ground. This is a matter of concern, and I do not doubt that my hon. Friend the Minister will be answering on that point.

We must never let fans go into the ground in a drunken stupor. I know that the police will be outside keeping an eye on those entering football grounds. I feel certain that they will be able effectively to stop the sale of alcohol and will stop fans coming in carrying alcohol. However, I am not certain whether they can always stop the drunkards coming in. I hope so. I know that they will be able to search for alcohol and I know that they will be able to stop what are known, and have been described by my hon. Friend the Member for Leicestershire, North-West (Mr. Ashby), as football travelling nasties from going in.

I want membership cards introduced. I am upset that Ted Croker, the FA secretary, seems to be against the use of identification cards. He feels that they are too expensive and will be difficult to administer, but if they can stop football hooligans once and for all, it must be worth using them.

The deterrent aspects of the Bill are welcome. The £400 fine and the three months' imprisonment make a lot of sense. We must publish the names of those convicted of offences of drunkenness, hooliganism and bringing the game into disrepute. We say that about some of the football players, but we never seem to say it about the hooligans, and the football players are taken advantage of. Too often, the football hooligans get away with it because they are in the crowd and get excited, and they do not think that they will be noticed because they are in the crowd. We must move as fast as we can on this problem. The police will be helping in this. I do not want to see the police used as a weapon to beat the hooligan. The law is here to beat the hooligan and I want to see the law used to keep the peace.

I appreciate that our young people want and love their football. The greatest punishment would be to deprive them of full acceptance and admission into football grounds. Publishing their names in the club programme and building it up into a cumulative list would be a great embarrassment to them. It would deprive them of their

membership, and I do not think that they would be treated as heroes. In the end, they would be treated as of ill repute and as a discredit to the game.

In 1978, Leicester city council published a study paper, "Behaviour of Persons Attending Football Matches". It identified many of the points, particularly those concerning excessive alcohol, that have come to light today. It is frightening that that report was published in 1978 and it is now 1985, but at long last we are doing something. I want to see football clubs co-operating fully. Whether people are fellow supporters, players, directors or the gatemen, all can help in cutting out the cancer of football hooliganism. They can be certain that they will be assisted in bringing these miscreants to book once and for all.

Our football players have not always been the best behaved. Sometimes, when they have misbehaved or there has been a punch-up or something like that, football fans have wanted to emulate that example. This must be stopped. I know that I am speaking of the very few football players who abuse the system, but I urge them to take care because the public are watching them at all times.

It is marvellous that the Government have introduced these proposals, but it is incredible that it is not the Football Association and the football clubs that are bringing forward proposals. The Government have had to give the lead. That is a credit to them, but it is worrying that once again the football clubs are copping out. They are always the weak ones, and we have to introduce legislation. I hope that this legislation will pass tonight.

The behaviour of those so-called fans in Brussels was a discredit to the whole country. It brought shame to people no matter where they lived or what views they held. Those scenes must never be forgotten. They must serve as a constant reminder to those who might try to forget them that such behaviour by football hooligans abroad must never be allowed to happen again. The deterrent aspect of showing those scenes will always help.

Political commentators have criticised the Bill because they say that the provisions are far too sweeping. I see nothing wrong with that. I am pleased that someone who allows alcohol to be carried on a vehicle may be fined up to £1,000.

As I said in an intervention during the speech of my right hon. and learned Friend the Home Secretary, Leicester City football club is worried about clause 3(3), because people will no longer be allowed to consume alcohol in the executive boxes. The boxes are screened from the pitch but they overlook it. As the hon. Member for Stalybridge and Hyde (Mr. Pendry) said, that is where football clubs make money. For example, Tottenham earns £750,000 from them in one year. That money is needed for the game. That is why Leicester City has an excellent, well-protected ground. I also agree with what my hon. Friend the Member for Luton, North (Mr. Carlisle) said.

I am sure that the magistrates courts will help clubs such as Leicester City, which apply for exemption orders, and I am sure that Leicester City's application will be granted.

The police will have new powers to stop and search coaches——

Dr. Godman: Are the so-called spectators who frequent those boxes there for the football or for the drink?

Mr. Bruinvels: The people who frequent the boxes are supporters and the sponsors of matches. They regularly give money to the game. The hon. Gentleman implied that they should be watching the game instead of drinking. That is their decision. I prefer to watch the game. However, we must not forget that they give much-needed money to the game.

The question which I asked my hon. Friend the Minister a long time ago about the police powers of stop and search has been clearly answered. I am sure that the Bill will reassure those who worry about offensive weapons being taken into grounds. The Bill will also cover empty containers, which can become missiles.

It is obvious why many people stay away from football games. Many games are shown on television, and there is no need to go. It is no longer a family game because of the violence and the fact that the wrong elements attend matches. The Bill will help to bring back a great British tradition. Football is a decent game. It is a group sport which encourages a team spirit. The Government have shown their team spirit by presenting the Bill. It will bring peace to our pitches and encourage people to return to football grounds. With family stands and good policing, I have no doubt that football will once again become a great sport for spectators to enjoy.

9.42 pm

Mr. Denis Howell (Birmingham, Small Heath): This has been an extraordinary debate. In accordance with our procedures, and following precedent today, I have some interests to declare. First, I am a director of Wembley stadium, which I understand from the Home Secretary will be subject to the provisions of the Bill. Secondly, like my hon. Friend the Member for Liverpool, Walton (Mr. Heffer), there are two first division football teams in my constituency—Aston Villa and Birmingham City—both of which are extremely well conducted, and both of which depend heavily on sponsorship income, especially income from sponsors' boxes. They would find it difficult, if not impossible, to divide those boxes into drinking areas and watching areas. That is at the heart of our difficulty.

The House is giving the Government the generous facility of trying to take all the stages of a Bill in one day. It is acknowledged that both sides of the House support the procedure, but my experience in the House tells me that, whenever we have done so, we have never quite got the legislation right. It is a hazardous process.

I emphasise the point that the Bill will provide a permanent restriction on football clubs. We are not restricting any other sport. Therefore, it behoves us to get it right tonight if we can. We have a duty to examine all comments by football authorities and hon. Members who have an interest in the subject. I have agreed with every word of the speeches by at least six hon. Members from both sides of the House tonight. We are not criticising what the Government are trying to do, but expressing our concern.

The Government are entitled to say that there is all-party support for the measure, but that does not mean that they should treat the House with disdain by refusing to take on board any of the problems which have surfaced during the debate or which have been brought to our attention by the football authorities. If the Home Secretary and the House are convinced by the arguments, somewhere,

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somehow, between now and when the Bill is considered by another place, more thought must be given to the problems.

That takes me to the heart of what I think are the difficulties in connection with the Bill. How do we deal in equity with the consumption of alcohol within the grounds? I regret that the Minister with responsibility for sport is not to take part in today's debate, but I understand that not everybody can speak. However, that means that the Government are approaching the legislation from a Home Office stance, when it should be considered in a football setting, because it deals with the problems which affect football. The Department of the Environment working party report, which was published a few months ago, stated:

"The police report little evidence of drunkenness among those arrested at football matches and believe alcohol is not the major factor in soccer violence in England and Wales."

We must be careful if, at one stroke, we plan to throw out of the window the findings of a working party based upon police advice.

The principle of collective guilt seems now to be universally applicable to all who have anything to do with football. We must condemn such nonsense. I have never believed in collective guilt in connection with a nation or a sport. I do not believe in the collective guilt of football supporters. I believe that 99 per cent. of all men and women who watch football in Britain are decent, ordinary, upstanding people who want nothing to do with violence or drunkenness. They should not be penalised unless it is absolutely essential and unless we can prove that by penalising them we can eradicate the so-called cancer. I do not believe that the case is proven.

I accept that the Bill provides one way of achieving equity between the person who sits in a box and drinks wine with a three or four-course meal and the man on the terraces who wants half a pint with his pork pie. The Government must deal equitably with both, or they will be building up trouble for the future. The Government say that they will deal with that problem and achieve equity by not allowing people to drink in a private box, but allowing them to drink in the directors' room or in the supporters' club round the corner.

What will be the consequence to football if the Government deal with the problem in that way? *[Interruption.]* The Home Secretary must not keep on grumbling. I am aware that the Opposition are in agreement with the Government on the principle of the Bill, and the Opposition have already made a strong case for equity, but the right hon. and learned Gentleman should listen when hon. Members prove that his proposal is not the best way to achieve equity. If he does not listen to what is said in the House, he is treating the House with contempt.

Mr. Peter Bruinvels: No, he is not.

Mr. Howells: Of course he is. Only the hon. Member for Leicester, East (Mr. Bruinvels) could possibly think that if a Minister does not listen to the House he is not in contempt. That is why the hon. Gentleman makes such nonsensical remarks. *[Interruption.]* It seems that hooligans are not confined to the terraces of football grounds.

I want to carry the Home Secretary with me on this. I do not expect him to agree tonight to change the Bill. At least six or eight hon. Members have drawn attention to this aspect, and the Home Secretary and the Minister of State should look at it. If there is a problem, it should be examined and considered. When football clubs tell us that they will be seriously affected by these measures, we must consider their case. When the earlier discussions took place between both sides of the House, no figures were available. Since then, the football league has revealed that £4 million is at risk from the closure or threatened closure of sponsors' boxes.

Is there not another way to achieve the sense of equity which both the Government and the Opposition want in dealing with drink at football grounds? There is indeed another way and it is to be found in amendment No. 22 which would bring licensing hours into football grounds. For example, no drinking would be allowed in any part of the ground between 30 minutes before the match starts and 30 minutes after it ends.

The amendment would deal with the problem in a practical way, because most people these days do not come to football matches more than 20 minutes before the kick-off, as we have heard in some graphic accounts today. We would deal with the problem realistically, on the basis of equity, without discriminating against the man in the private box or the man on the terrace and football would not be deprived of £4 million. That is the intelligent way to deal with the problem. I do not expect the Home Secretary to jump up and accept that proposal now, but I ask him to consider it, as the Opposition will.

There is another deficiency in the Bill, which I would describe as the European dimension. There is no provision in the Bill to cover drink on boats or planes. That means that there are no provisions relevant to the problems of Europe or the situation that occurred in Brussels. Everybody knows what the problem is. People get tanked up on the boats, but the captain refuses to close the bar — I have had experience of this problem, and I sympathise with Ministers who also have to deal with it — because he says that it will deprive genuine passengers of a drink. Many of these boats were previously British Rail owned. The fans then arrive on the continent far too early and drink all day before the match starts. They drink cheap wine, which they are not used to drinking.

There is no reference in the Bill, and there was none in the Home Secretary's speech, to alcohol on passenger trains. We have been told that special measures will be introduced for special trains, but most of the thugs do not travel on special trains. They create mayhem on ordinary passenger trains. Nor does the Bill refer to off-licence premises and supermarkets. The hon. Members for Bury St. Edmunds (Sir E. Griffiths) and for Honiton (Sir P. Emery) drew attention to this fact.

There is no panacea which will solve the problem, yet we are in danger of suggesting that there are three panaceas which will solve it. None of them will work. I have dealt with the first panacea—the prohibition of alcohol inside football grounds.

The second panacea is the introduction of identity cards. My hon. Friend the Member for Bassetlaw (Mr. Ashton) graphically illustrated the problems which turnstile operators would face if they had to look at photographs on identity cards and refuse admission to somebody when 20,000 people were trying to get into a football ground during the last quarter of an hour before

a match began. It would be impossible for those refused entry to get out, and in any case most of the thugs would refuse to accept such a refusal of admission.

I speak from experience. My brother is a turnstile operator. A fan was set upon last season and seriously injured outside his turnstile. My brother left his turnstile and went to help him, whereupon he was hit on the head with a brick and suffered a serious injury, which required the attention of at least three police officers to stop the bleeding. He was taken to hospital and his turnstile was left unattended, together with the money that he had taken. We must not add to the problems already faced by turnstile operators that of trying to identify every person who goes through their turnstiles. The football league has asked the football trust to conduct an investigation, but I do not believe that identity cards will work. They are not a panacea.

Yet another panacea has not been mentioned so far in the debate — the segregation of football supporters. Segregation is very important, but it is an admission of failure. The days when a man and his neighbour could go to a football match, support different teams and enjoy themselves in a civilised way are over. Segregation may be vital during this emergency, but it should not be regarded as a permanent solution to the problem.

We must not pretend that the Bill will deal with the social evils in our society. It comes nowhere near to achieving that aim. There is violence at football matches, on the beaches, at pop concerts and in city centres. The Commissioner of Police of the Metropolis tried to quantify that violence in his last report. He said that violence was growing at about 7 per cent. per annum, and I believe that he is right. So this measure, or any other measure which does not seek to deal with the underlying causes of violence in our society, will be irrelevant to the real problems with which we have to deal.

On behalf of the Opposition, I went to see Mr. Justice Popplewell to ask him how he proposed to conduct an investigation into the National Front and the evils of extremism, which are battening on to football for their own evil purposes, and was much concerned when he replied, "Mr. Howell, I am an inquiry and not an investigation. I do not have the resources to conduct an investigation." Although the Opposition favour his inquiry into the fire at Bradford and the events at Birmingham City, we——

It being Ten o'clock, the debate stood adjourned.

Ordered,

That, at this day's sitting, the Sporting Events (Control of Alcohol etc.) Bill may be proceeded with, though opposed, until any hour.—*[Mr. Durant.]*

Mr. Howell: —are concerned that Mr. Justice Popplewell does not have the resources to conduct the wider inquiry that we think is necessary.

Hon. Members have considered how we should deal with our trouble makers abroad. In the report to which I have referred the Government say that we must consider "consular confidentiality". The names of people who disgrace our country abroad cannot be made available to anybody, including the Football Association, who wants to deal with the problem. We must change our approach to civil liberties and to the availability of passports to known trouble makers.

The absurdity was never better illustrated than by the Minister with responsibility for sport asking the Mexican Government please to ensure that they do not admit, at the next World Cup, trouble makers from Britain. That is a ludicrous procedure. We are telling the Mexican Government that we cannot stop hooligans from leaving Britain, so will they please stop them from entering Mexico.

The Opposition will support the Bill, especially the proposals for banning people going into grounds with alcohol or when they are the worse for wear. We shall also give all our help on the proposals concerning drink when travelling. The Bill will have a marginal effect on the problem in football grounds. We hope that it will be to the good—I have expressed my reservations.

A football board with substantial funds, or some other means of producing money, must be established if we are to turn football into family entertainment once again. Grounds must be made more profitable, and there must be all-seating stadiums, which will help to identify trouble makers. Indeed, amenities generally must be improved.

The House should ponder the fact that duty on football pools is 42·5 per cent. whereas it is 7·5 per cent. on off-course betting, 4 per cent. on racing on track and about 6 per cent. on bingo. It is absurd that, before the man enters the competition, when he sits down to fill in a football pool form, he has paid 42·5p out of his £1 to the Chancellor when his wife pays only 6p or 8p when she goes to play bingo.

The Chester committee, which I set up in the 1960s, recommended a football levy such as we have for horse racing. The Royal Commission said the same. I am not making a party political point, because we did not act on the Chester report, any more than the Government have. My point is that the time has come to produce some money. If we remove or put at risk the £4 million from clubs, we must provide a substitute.

The House must find an answer to the problem. We shall support the Bill because it goes some way towards dealing with violence, but I have grave doubts, which have been reinforced by speeches from both sides of the House. It would be helpful if the Home Secretary would agree to examine the new arguments that have emerged during the debate.

10.6 pm

The Minister of State, Home Office (Mr. Giles Shaw): The House has had a fairly full, frank and fair debate on problems which relate not just to the legislation we are currently considering but to the problems within football both here and abroad. My hon. Friends and Opposition Members have the judicious benefit of hindsight about events which gave rise to the problems faced by the Government in recent months. Such events were cumulative. It was not just the enormous tragedy in the Heysel stadium at the end of May, but a season of ghastly tragedies: such as the fire at Bradford; some of a direct hooligan nature, like the Millwall-Luton game; some like the Birmingham tragedy; and, on top of that, the tragedy in Brussels. The House recognises that any Government would have to take a view whether to do something or nothing. The general mood on the morrow of the Brussels tragedy was that the good name of English football was at an internationally low level and that the good name of the British had been badly affected.

My hon. Friend the Member for Cornwall, South-East (Mr. Hicks) remarked that football is crucially important because it is a national game, but that we should not harm the fabric of that national game. The events of the last

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season have undoubtedly harmed the fabric of the national game and we are discussing legislation which none of us would wish to do in the circumstances in which it is brought before the House. I appreciate the way in which hon. Members on both sides of the House have generally welcomed the fact that there is legislation to deal with this element. I accept that this is but one element — and probably a small element — of the total problem with which we have to grapple. On that issue, I stress to the House that the prime arbiters of what goes on within football must be the football authorities.

The right hon. Member for Birmingham, Small Heath (Mr. Howell), with his long experience and knowledge of these matters, will recognise that the issues have been on the table for discussion with football authorities year after year. Discussion on the problems of violence on the terraces, hooliganism, vandalism, crowd control, police activity, courts and sentences have occurred cumulatively almost year after year. It is all very well for the right hon. Gentleman to refer to the Chester report, but who chucked it out? I understand that it was the Football League. The football authorities would have nothing to do with it.

Mr. Denis Howell: The Minister needs to be careful. The football authority is very much in favour of the Horserace Betting Levy Board, which is the point that I made.

Mr. Shaw: The right hon. Gentleman will recognise that that was not the only element involved, but so be it. If there is self-policing, if there is self-help within football, that is all to the good.

The right hon. Member for Manchester, Gorton (Mr. Kaufman), who spoke first for the Opposition, was concerned not so much with this piece of legislation as with criticising the Government for failing to act on the broader issues. It seemed that he was suggesting that there has been inadequate action. He was critical because we have not done anything except to produce this Bill — *[Interruption.]* That was the inference from the argument that he was seeking to deploy.

I remind the House of the events that have occurred since the close of the football season. First, my right hon. and learned Friend, under the Safety of Sports Grounds Act 1975, is designating the third and fourth divisions of the Football League.

Secondly, the Popplewell inquiry was set up. Hon. Members will know that that inquiry can take evidence in relation to the Brussels tragedy, as well as the tragedies at Birmingham and Bradford, and that there is likely to be an interim report available to my right hon. and learned Friend, hopefully, before the start of the new football season.

Thirdly, there will be a major effort to re-establish good relations on behalf of British football within Europe. The climate has been substantially restored, particularly by the efforts of my right hon. Friend the Prime Minister in accepting at once a liability on this country to correct what has gone wrong.

Fourthly, after discussions with the Football Trust, £500,000 is being allocated for the extension of closed-circuit television equipment — a very important contribution to crowd control. That should be sufficient to cover another 30 grounds within the next few months and, hopefully, within the coming season.

Mr. Heffer: I am sorry to come back to this point, but in relation to the Popplewell inquiry the Minister seemed to indicate that it was prepared to look into certain aspects of the Brussels tragedy. I have had a letter today from Mr. Morgan, the secretary to the inquiry, in which he says:

"Your memorandum and attached correspondence has been given to the chairman and the assessors and we are grateful for your evidence. As you appreciate, the investigation into the events at Brussels is, of course, a matter for the Belgian authorities, although any lessons learnt will be taken into account by Mr. Justice Popplewell."

That is all the letter said. That does not give the same impression as the hon. Gentleman has given.

Mr. Shaw: Mr. Justice Popplewell can certainly take into account observations made in relation to the Brussels incident, but he is not conducting the inquiry into that incident. That is being done on two levels in Belgium, as I suspect the hon. Member for Liverpool, Walton (Mr. Heffer) knows. First, there is a judicial inquiry in relation to the criminality of the event; secondly, there is an inquiry by the Belgian football association in relation to the game itself, to which I understand UEFA will be giving evidence.

I have referred to the extension of closed-circuit television, which is an important development.

Fifthly, the Home Office is providing three of the special control vehicles that were designed and tested last season for use by the police at sensitive events in the forthcoming season.

Sixthly, the police have improved substantially the co-ordination of information between police forces and also with the British Transport police.

Seventhly, radio compatibility between the British Transport police and the police system will be established. Eighthly, major efforts are being made by my hon. Friend the Minister responsible for sport to discuss further within the industry initiatives that can be taken to improve the state of the game.

Ninthly, a substantial effort by my hon. Friend at the Council of Europe has achieved a convention which has been fully ratified by 23 Ministers and will become binding, hopefully, on all member countries of the Council of Europe. That major document is in the Library of the House of Commons, so hon. Members may refer to it. It requires the co-ordination of the policies and actions of Government Departments. It requires the signatories to secure that adequate public order resources are employed to counter outbreaks of violence, to ensure that offenders are identified and prosecuted, and to introduce procedures to identify problem matches in advance and provide effective co-operation between authorities. It lays down many other steps to be taken to improve Europe-wide the major measures to contain the breadth of hooliganism.

Mr. Heffer *rose*——

Mr. Shaw: Hon. Members on both sides of the House have been arguing that the spread of the problem, its duration and complexity require action to be taken across a broad front. I have indicated to the House that that is being done.

My right hon. Friend the Member for Castle Point (Sir B. Braine) rightly expressed his concern about alcoholism in general and was against the exemption procedures. The hon. Member for Stalybridge and Hyde (Mr. Pendry) will, in due course, hope to catch the eye of the Chairman of the Committee in order that he might make his point. He did, of course, raise certain other specific matters.

Mr. Heffer: The Minister has referred to a document which is obviously relevant to this discussion. It is a document which the Minister for sport has negotiated with his fellow Ministers at the Council of Europe. It is obviously a very important document, but it is not on the Table. We are told that it is in the Library, but nobody has been told about it before. Could the Minister ask for the document to be brought here for the consideration of hon. Members?

Mr. Deputy Speaker (Mr. Ernest Armstrong): Did the Minister say that it was in the Library?

Mr. Shaw: I did, Mr. Deputy Speaker. If it is not in the Library now, it will be. I apologise to the hon. Member for Walton if he has not been able to locate it. I am informed that it is there.

The hon. Member for Stalybridge and Hyde said that the Bill was not tough enough to deal with problems outside the ground, but he must agree that the measures for the control of the provision of alcohol outside the ground already rest on the ability of police officers to obtain magistrates' agreement to the closure of licensed premises and off-licences in the area of the ground. This measure provides for a special offence of drunkenness at the entrance to football grounds, and a substantial effort can now be made to prevent those who are drunk from arriving at the ground.

The hon. Gentleman will concede the important points on transport, to which he drew attention. These will provide for alcohol to be banned from vehicles and special coaches on both rail and road. Masters of ferries have the power to close bars, and the same is true of captains of aircraft. Indeed, many of them do so.

The provisions in the Bill refer to hired minibuses as opposed to a private minibus whose owner takes five or six of his friends together with himself.

My hon. Friend the Member for Romsey and Waterside (Mr. Colvin) gave an assurance that the licensed victuallers were happy with the Bill, and I welcome that.

The hon. Member for Caithness and Sutherland (Mr. Maclennan) drew attention to the McElhone committee's report, which suggested that drinking before, during and after the match was at least a contribution to the problem. It is precisely because we have been guided in large measure by the Scottish situation that I welcome that contribution.

My hon. Friend the Member for Honiton (Sir P. Emery) stressed the importance of the responsibility on the clubs to manage their games and to reduce those elements which give rise to some of the most appalling behaviour on the grounds, let alone on the terraces. That is a fair point.

My hon. Friend the Member for Suffolk, Central (Mr. Lord) was concerned that policing policies should be changed, although he welcomed the Bill. I accept that there has been a high degree of tolerance about hooliganism when it comes to the way in which magistrates' courts have dealt with it. However, one has seen a change recently. My hon. Friend referred to the judgment delivered recently in Cambridge which resulted in a major custodial sentence.

The hon. Member for Falkirk, East (Mr. Ewing) referred to the particular problem of the clash between clauses 1 and 10. I accept there is an awkwardness. Indeed, two portions of Bill are not satisfactory. I understand the desirability of ensuring equal treatment between British Rail employees on both sides of the border. I will undertake to consider the matter again with my right hon. Friend the Secretary of State for Transport before the Bill proceeds to the other place.

My hon. Friend the Member for Luton, North (Mr. Carlisle) welcomed the Bill, but rightly said that we must not rely on this single measure. Drink is a major contributor to hooliganism at many events, not just football. I am grateful for his support, and I take note of his questions about the problems of drink inside grounds, to which I shall refer shortly.

The hon. Member for Bassetlaw (Mr. Ashton) said that a body should be set up similar to the Horserace Betting Levy Board. That thought has been echoed several times in the debate, and I am sure that it deserves consideration —I hope initially by the football authorities recognising that they may have an interest in seeing such a body established because they will have to determine whether they wish to fund it and to operate a system of that kind. However, that is outside the competence of the present Bill.

My hon. Friend the Member for Bury St. Edmunds (Sir E. Griffiths) supported the Bill, but criticised it as being far too complex. As for our establishing one set of rules for those on the terraces and another set for those occupying executive boxes, this theme was widely used by hon. Members on both sides of the House, and I shall come to that point of equity in a moment.

As for police powers, I accept that once again we are asking policemen to perform a significant number of additional tasks at the entrances to grounds. I suspect that they now have a much clearer position than before when it comes to the control of drink, and I hope that they will not find it too difficult to obtain the agreement of local magistrates to the closure of licensed premises. Such co-operation has been given freely in most places. The apprehension of persons actually drunk outside football grounds before matches should reduce the problems internally.

Mr. Madden: The Minister will recall that I asked whether the Bill's provisions would apply to Bradford City football club in the coming season. If they do, how will they be applied, and how will members of the rugby club's social club at the ground be affected?

Mr. Shaw: I understand that Bradford City intends to use the rugby league ground at Odsal next season. I suspect that the intention will be to designate the rugby league stadium as a designated ground for soccer matches. How it applies to rugby league is a matter that my hon. Friend the Minister responsible for sport will discuss with the chairman of Bradford City when he meets him later this week.

The hon. Member for Ipswich (Mr. Weetch) asked how the Bill would help to deal with drunkenness in town centres. That is a problem to which I have alluded already. There should now be a greater containment of the problem of people arriving drunk at the entrances to grounds. If they are drunk, they are committing an offence and will be liable to arrest.

As for the control in town centres, I hope that the hon. Gentleman appreciates the efforts that the police are now making, with the co-operation of the football clubs, to ensure that they have proper control of persons arriving at football grounds by both public and private transport and

[Mr. Shaw]

can prevent the supporters of visiting clubs running loose through the streets of many town centres which have felt the weight of hooliganism in recent months.

My hon. Friend the Member for Grantham (Mr. Hogg) dislikes secondary legislation, and I understand his reasons of principle for that, though I suggest that his argument could be applied to much legislation and not just to this Bill. Although he dislikes it, I hope that he understands why it is necessary to bring a Bill of this character before the House. We are seeking to prevent disorder, and our objective cannot be met by introducing primary legislation on every occasion.

I understand what my hon. Friend the Member for Cornwall, South-East (Mr. Hicks) said about the time scale being applied here. The time scale in the Bill is that for the designated event. It has to be one which will ban the sale of alcohol. That is the purpose of the Bill and the principle which clearly has found favour on both sides of the House. Some measure to restrict alcohol should be taken. However, to say that a way round that is to reduce the period of exemption to virtually half an hour before a game begins and half an hour after its conclusion does not seem to me to be an adequate solution to the enormity of the problem.

I suspect that the question of the sale of alcohol inside football grounds occasioned most concern, as the right hon. Member for Small Heath made clear. Much of the debate has been about both the sale and possession of alcohol inside grounds. My right hon. and learned Friend the Home Secretary made it clear that that is an important part of our approach to the issue. The Association of Chief Police Officers has told us that the main alcohol problem is caused by people who come tanked up, and we recognise that. The association does not believe that the sale of alcohol within grounds produces particular problems. The main impact of the Scottish legislation has been on people who arrive at grounds drunk or in possession of alcohol, which is why we have laid great stress on making provisions to deal with that.

I recognise that clubs are worried about the effect on their revenue of not selling alcohol inside the grounds. Indeed, substantial revenue is derived from the provision and sale of alcohol. I understand from the football authorities that about 32 clubs are involved in the provision of sponsorship boxes, and that the total revenue from that source is about £4 million a year. That does not include revenue to clubs from catering contracts and other sources. The Football League estimates that about 75 per cent. of the leasing revenue will be at risk if no alcohol is available because boxes are primarily used for entertaining business clients. The Football League estimates that the total income from the sale of drink in bars inside grounds on match days is about £1·5 million a year.

Those figures are significant, and I recognise the interest and anxiety expressed by hon. Members on both sides of the House. However, we cannot easily duck the problem if we seek to reduce the consumption of alcohol in football stadiums. Although we accept that the major risk comes from people arriving with substantial quantities of drink on board, we must also recognise that if we take no action within stadiums it would seem absurd if people could arrive and tank themselves up at the ground as they saw fit in the hours preceding the game. Therefore, a policy on the provision of alcohol within the ground needs to be observed to complement and supplement the arrangements for the prevention of alcohol being consumed outside, either through the closure of adjacent premises or by removing potentially drunken spectators at the entrances to the ground. That is the crux of the problem.

The Bill does not go as far as the Scottish Act in that respect. It provides for an exemption which may be applied for to local magistrates by the clubs, which are the primary lessees or licensees for the provision of alcohol. That major exemption is provided because it will help clubs to obtain income from the continued provision of alcohol at defined places, as agreed by magistrates and the police on an application to those magistrates at least twice in a football season. It is crucial that hon. Members recognise that that is because we take seriously the review of conditions pertaining to a club in relation to disorder within the grounds. I am sure that all hon. Members will recognise the importance of such control.

Mr. Wareing: Does the Minister not concede any of the points made on both sides of the House that the Bill is insufficient? My hon. Friend the Member for Liverpool, Walton (Mr. Heffer) and I mentioned other matters relating to political Right-wing extremist organisations, and the fact that the only United Kingdom club to have had one of its winning results disqualified in a European competition was a Scottish club, to which previous legislation already applied.

Mr. Shaw: I thought I had made it clear that there were many aspects of the hooliganism problem. We are dealing with the alcohol element. There are, of course, other issues, such as those that the hon. Gentleman raises, but they are not germane to this legislation.

Some hon. Members have regarded the restraint on the ability to sell alcohol, and so to earn revenue for the clubs, as a crucial reason why they should feel dissatisfied with that part of the Bill. I have heard two sets of arguments about boxes. It is argued that it is inequitable to allow the occupants of boxes to be in possession of alcohol while viewing the pitch and, on the contrary, that it is inequitable to prevent them from doing so.

I appreciate the argument that it is unfair and inequitable to bar the occupants of boxes from drinking alcohol in the boxes. But it is the general practice already for respectable spectators elsewhere in the ground to have to leave their seats and go behind the stands for a drink in the public bars. In most grounds, even the directors are not allowed to take drinks into their enclosures in the stands, and instead they, too, go into rooms at the back—into boardrooms, for example—if they wish to have a drink.

We are not totally preventing the occupants of boxes from getting a drink. We are providing in the Bill that, as with other supporters, they should not be able to possess alcohol while in sight of the pitch. Like everyone else, they should go and get their drinks, and consume them, out of sight of the pitch. I do not regard that as unfair in principle. On the contrary, exactly the same rules are applied to everyone.

Not only box holders will be affected by the provision. I am told that at a few grounds, there are bars actually on the terraces. It is undesirable for them to be there, and the Bill will make it unlawful to possess or sell alcohol in such

places. Thus, the prohibition on the possession of alcohol within sight of the pitch will not solely affect box occupants.

I have seen some speculation in the press that clubs will be able to evade the controls on possession of alcohol within sight of the pitch simply by installing curtains or other temporary covers on the windows of private boxes. I will make the position clear on this. The controls will apply throughout the period of the designated sporting event—a period which lasts from two hours before the match until one hour afterwards. It will be an offence to be in possession of alcohol in any area of the ground from which the pitch can be viewed directly during that period. Thus, it would not be sufficient to draw curtains or blinds merely during the period when alcohol is actually consumed. Clubs will have to ensure that alcohol is consumed only in areas which are clearly out of sight of the pitch.

I recognise that in some cases clubs may wish to consider structural alterations to boxes to make it possible to provide an area in which the pitch cannot be viewed so that alcohol can be served there. If this is necessary, clubs will need to ensure, to comply with the law, that the partitions cannot be moved or changed during the period of the designated sporting event. This points either to the installation of permanent partition walls, or at least locks to prevent partitions or shutters from being opened during the relevant period.

I make these points because I know that they have been of concern in particular to the right hon. Member for Gorton. Indeed, he has an amendment down for the Committee stage. I emphasise to him, to the House and to the clubs, that the controls in the Bill cannot be evaded by simple measures such as the installation of curtains. To ensure compliance with the law, it will be necessary to ensure that any structural changes made cannot easily be reversed by their deliberate or accidental action of the occupants. In view of the concern that has been expressed by the right hon. Member for Gorton and others, we will consider, before the Bill reaches the other place, whether this point can be made clearer in the legislation.

Sir Eldon Griffiths: All hon. Members who have been in the House for some time want to see the legislation work, and nothing that I suggest is designed to do other than commend the Bill and assist it to work. I want to be sure that I understand the position. If a number of fans, presumably over the age when they can buy liquor, wish to go to the back of the stand to an open bar, they will be able to purchase liquor. Is not the Government's view that the possession of liquor on the ground and the tanking up of fans who have arrived there with too much in their system anyway is one of the causes of the violence? How can it be right to produce a Bill designed to reduce the problem of alcohol at football grounds which enables people to get more alcohol provided that they go round the back of the stand out of view of the pitch? It does not make sense.

Mr. Shaw: My hon. Friend will know that the police, if they believe that there is drunkenness going on and that disorder may occur, can close the individual bar, and have the right so to do. Any provision of alcohol on the grounds will be a matter of exemptions which have to be taken before the magistrates' court. That will require the individual places where alcohol is to be sold to be designated in the exemption order.

Mr. James Hamilton (Motherwell, North): I wish to get the record straight on the incident in Scotland. In the ground in question there are no bars, and no alcoholic liquor is sold at the ground, at which I am a regular attender. One idiot who was intoxicated attended the ground, threw a missile and missed a player, but was nevertheless prosecuted. I do not think that that is a condemnation of the legislation in Scotland, because it did not happen in the circumstances that the Minister related to the House.

Mr. Shaw: I am glad that the hon. Gentleman has related that event. However, he will be aware that, except for the transport provision, which has been referred to by his hon. Friend the Member for Falkirk, East, there are no such provisions in Scotland.

Mr. Denis Howell: The hon. Gentleman was relating a situation not related to the consuming of food, which is what goes on in private boxes. Is the Minister telling us that he expects that, between the soup and the fish course, people in a private box will get out round the back, have a glass of wine and come back, and then get up between the fish course and the main course and have another glass of wine out of sight? The proposed solution is totally unworkable.

Mr. Shaw: The right hon. Gentleman will be aware that he and his right hon. and hon. Friends required the Bill to be of this character, so no doubt he might speak to them occasionally before he makes such an observation.

In conclusion, I commend the Bill to the House. It will not in itself solve the problem of football violence and football hooliganism, but I believe that it will make a major contribution to doing so. The chief constable of Strathclyde has said that the Scottish police forces regard the Criminal Justice (Scotland) Act 1980 as a major step towards improving football spectator behaviour in Scotland. We hope and believe that this Bill will be similarly effective in England and Wales.

Question put and agreed to.

Bill accordingly read a Second time.

Bill committed to a Committee of the whole House. —*[Mr. Boscawen.]*

Question proposed, That this House will immediately resolve itself into a Committee on the Bill.

10.36 pm

Mr. Douglas Hogg: I object to the proposal that the House should immediately resolve itself into a Committee and proceed forthwith to consideration of the Bill. If we adopt that suggestion, the Bill will be less fully and adequately scrutinised than I believe is necessary.

Anybody who heard the debate of the last six or seven hours will appreciate that there are genuine grounds for disquiet, not least about executive boxes, which was the point touched upon by my hon. Friend the Minister of State at the end of his wind-up.

The Bill was published on 26 June—that is, last week. I suggest that there has been inadequate time for the clubs and other interested bodies to formulate their objections to the Bill or to make the representations to interested Members which would in ordinary circumstances be desirable.

The Bill carries within it widespread restrictions. It will undoubtedly impose substantial financial burdens. It is undesirable that we should be asked to proceed so quickly to a scrutiny of the Bill—especially, if I may say so, at nearly 11 o'clock when we have already been considering the Bill for many hours.

The practice is that this House considers a Bill of this sort on the Floor of the House only if it is genuinely uncontroversial or if there is a real requirement of speed. I do not believe that this Bill falls into either category. I do not believe that it is genuinely uncontroversial, nor do I believe that there is a need for unusual dispatch. On that basis, I oppose the motion.

10.40 pm

Mr. Peter Pike (Burnley): I wish to support the sensible comments of the hon. Member for Grantham (Mr. Hogg). Neither this House nor the country generally has had sufficient time to consider this important item of legislation.

I do not object to the legislation being introduced, because I recognise that there is a problem with which we must deal and that there is a need to do that speedily. I have been present during most of the debate and hon. Members have raised a number of important items, and when the Minister replied he indicated that he would report certain items to another place. That is wrong. Those items should be referred to a Committee of this House to consider and amend.

I recognise the problem, but it would be wrong to pass bad legislation because of the speed with which we are being asked to deal with it.

10.42 pm

Mr. Pendry: Although I did not have reservations earlier, as the debate progressed I became convinced by the hon. Members for Grantham (Mr. Hogg) and for Bury St. Edmunds (Sir E. Griffiths) and my right hon. Friend the Member for Birmingham, Small Heath (Mr. Howell) that this is a rushed job. It is an important issue. As my right hon. Friend said, this is a Bill for all time, and, as the hon. Member for Grantham said, it can extend to other sports. Therefore, we must get it right and not rush it through.

I support the hon. Member for Grantham and hope that other hon. Members on both sides of the House will follow suit.

10.43 pm

Mr. Giles Shaw: I remind my hon. Friend the Member for Grantham (Mr. Hogg) that there is indeed a significant sense of urgency about the Bill. There can be no measure on the statute book before the commencement of next season unless this Bill makes rapid progress through the House. I am sure he will agree that it would be wrong not to have such a measure on the statute book before the football season commences. That requires Royal Assent on a strict timetable, which I believe will have to be by 26 July.

On the question of controversiality, I accept that some hon. Members have been critical about certain portions of the Bill, but I am sure my hon. Friend will recognise that, with the single exception of himself, every hon. Member who spoke in the previous debate, which began at about 3.40 pm, was in favour of the Bill.

I suggest that we now move to the Committee stage, when many of the points to which my hon. Friend wishes to address himself can no doubt be discussed.

10.44 pm

Mr. Maclennan: As the Minister knows, I support the principle of the Bill and share his view that it will make an important contribution towards reducing a serious social evil. I also accept his point about urgency. He is right to say that the Bill should be enacted before the end of the parliamentary Session.

Had the Bill simply been the implementing in England and Wales of the provision in Scotland—which I had originally understood it to be—we would have been going down a well-trodden path, but the Bill departs somewhat from the predecessor measure. Indeed, in his reply to the previous debate the Minister referred to what he considered to be serious misdrafting and a failure to reconcile two clauses of the Bill. I had not spotted what the hon. Member for Falkirk, East (Mr. Ewing) spotted, but it is that sort of thing that makes us extremely uneasy about the Government's timetable. It would be of some assistance to the House, before reaching a decision, to have it made plain that it is not a practical alternative to have the Committee stage on another day. It is now rather late, and there are many matters which we would wish to look at in detail, for the sake of good drafting.

10.45 pm

Mr. Ivan Lawrence (Burton): Everyone supports the Bill. Everyone appreciates the urgency of it. But would it make any difference if we had another few days to consider some of these details? Would it be too late to consider the Bill next week?

That is one of my shorter speeches.

10.46 pm

Mr. Giles Shaw: I stress for the final time to hon. Members on both sides of the House that we must complete the measures which have been laid before the House, which have been agreed in discussion with the right hon. Member for Manchester, Gorton (Mr. Kaufman), the hon. Member for Caithness and Sutherland (Mr. Maclennan) and my hon. Friend the Member for

Bury St. Edmunds (Sir E. Griffiths). The measures are primarily agreed between us. I suggest that we proceed to the Committee stage as rapidly as possible.

Question put and agreed to.

Bill immediately considered in Committee.

[MR. ERNEST ARMSTRONG *in the Chair*]

Clause 1

OFFENCES IN CONNECTION WITH ALCOHOL ON COACHES AND TRAINS

10.47 pm

Sir Eldon Griffiths: I beg to move amendment No. 1, in page 1, line 6, leave out from beginning to 'is' in line 8.

The First Deputy Chairman of Ways and Means (Mr. Ernest Armstrong): With this it is convenient to take the following amendments: No. 2, in page 1, line 6, after first 'vehicle', insert

'passenger-carrying ship or aircraft'.

No. 6, in page 2, line 14, leave out paragraph *(a)*.

Sir Eldon Griffiths: The amendment would leave out the words that confine the clause to public service vehicles and railway passenger vehicles.

I hope that the reasons for my amendment are self-evident. It is entirely wrong to say that the offences that the Bill creates and the powers that it gives to the police to intervene to prevent those offences should be confined to those who operate or travel in public service vehicles or railway trains. On the face of it, if it is wrong to carry liquor to a football match on a bus, it must be equally wrong to carry liquor to the football match in a transit van, a jeep or a farm vehicle. What we are after is not the nature of the vehicle that carries the liquor, but the fact that the liquor is being carried. Therefore, it seems absurd to limit the offences and the powers simply to what happens on a bus or railway train.

Mr. Pike: The hon. Gentleman is making an important point. When the Minister of State replied to the Second Reading debate, it was significant that he stressed it. If the supporters' club had vehicles that were not for hire commercially, and had liquor — I accept that most supporters' clubs would be run responsibly and would not do that—they would not be caught by the law.

Sir Eldon Griffiths: The hon. Gentleman is entirely right. I wish to attract the Minister's attention to the matter. It is not only me who is making the point—it is widely supported on both sides of the House. It can be put in practical terms.

Two or three vehicles are proceeding down the road towards a football match, carrying football supporters, manifestly in their football gear. One vehicle up front is a bus that has been hired—perhaps a minibus. If that vehicle is thought by the police to be carrying liquor, the driver is committing an offence, and the persons who put the liquor on board and those who possess it are committing an offence. The second vehicle may be a beat-up old Ford Transit van, but belongs to a group of football supporters. If they are doing any of those things, the police are helpless. The third vehicle may be of the kind suggested by the hon. Member for Burnley (Mr. Pike). It may have been purchased by the fans, and belongs to them as a club. That is a private vehicle, and it is not covered by the public service vehicle rules or by the railway carriage rules.

I wish the Bill well, but it places the police in an intolerable position. My hon. Friend the Minister is opening the doors to those who wish to carry and possess liquor when they go to a football match. They will be able to run rings around the Bill. The House cannot intend that, and my amendment therefore simply applies this clause to all vehicles that are

"being used for the principal purpose of carrying passengers for the whole or part of a journey to or from a designated sporting event."

That must be logical and practical. Even if my hon. Friend cannot agree to it now, I hope that he will have a good look at it, discuss its provisions with the police, and amend the clause when the Bill gets to the other place.

Mr. Pendry: I have tabled amendment No. 2 because it is a nonsense that clause 1 should apply only to two sets of vehicles. I support what the hon. Member for Bury St. Edmunds (Sir E. Griffiths) has said. It is not good enough for the Minister to say that captains of ships and ferries, or pilots of aircraft, have discretion to take action. Therefore, the Government must beef up the provisions of the Bill. They must ensure that this clause is much more watertight. Many of the people that we want to stop going to football grounds and causing problems will travel by other vehicles than those set out in the clause. I hope that the Government will look at this again. Mine is a probing amendent, and I hope that the Government will clarify their thinking on this matter, and take action in the other place.

Mr. Maclennan: If amendment No. 2 is passed, will it apply only to ships carrying the British flag, or shall we be seeking extra-territorial jurisdiction over foreign vessels proceeding from British ports? That might be rather difficult in practice, but I have no doubt that there are precedents, and I should be grateful for the Minister's advice.

Mr. Pike: This group of amendments illustrates the problems caused by the haste in which the Bill had been drafted. While everybody is broadly in support of the Bill's principles, there are difficulties. It seems illogical to include buses and trains in clause 1, but not ships or aircraft. I do not accept the Minister's argument that the captain of the boat or the plane has the right to close the bar facilities. That is not an adequate solution, as my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry) said. If the law says that one cannot sell drinks on a train that is principally taking people to or from a football match, the same should apply to a plane carrying passengers from Newcastle to London to watch Newcastle United play.

The hon. Member for Bury St. Edmunds (Sir E. Griffiths) made the point clearly. It is illogical that road vehicles that are for hire, whether they are minibuses or whatever, will be caught by the law but that any vehicle that is privately owned will not. Side by side on the motorway there could be two vehicles one of which is caught by the law and one of which is not. No one can argue that it is right for a person to be able to drink in a

[Mr. Pike]

vehicle that is privately owned and not in one that is available for hire. Those who have to apply this measure, when enacted, will be in an invidious position.

I accept that the wording of amendment No. 2 could be improved and I hope that the Government will be prepared to give some thought to trimming the wording of this group of amendments so as to arrive properly at their objective. We are debating the principle and not precise wording.

Mr. Lawrence: My objection to this sort of provision, which I think my hon. Friend the Minister of State will concede has been conceived in the most unseemly haste, is that it might result in the law being brought into disrepute, for reasons which have already been advanced.

I have perceived that one of the functions of Back Benchers is to ensure that new legislation does not attract criticism that will lower appreciation of the law in the minds of those for whom the House is legislating. If we introduce an exclusory and narrow form of restraint and ignore the ways in which those who wish to take advantage of the law will be able to do so, I fear that the public will laugh at this measure. That will result in the Government having done a disservice to society.

I am not saying that we should follow all the suggestions which have been made in this short debate and on Second Reading, but the issue before us requires further consideration. We should consider the suggestions that others have made. It is clear that the issue should be weighed and balanced with care. Our discussions on this group of amendments and others will serve principally to underline the fact that we are introducing speedily law that in the end will be bad law that will be laughed at by the public. In introducing and implementing it, we shall bring our system of law into disrepute. I beg my hon. Friend to take closer consideration of the arguments that are being advanced, so that we can place a better measure on the statute book.

Mr. Giles Shaw: I respect the way in which my hon. Friend the Member for Bury St. Edmunds (Sir E. Griffiths) and the hon. Member for Stalybridge and Hyde (Mr. Pendry) advanced their arguments. I understand why they feel that it is necessary to extend the range of vehicles that are to be covered by these provisions.

The prime purpose of the clause is to deal with those who are journeying to a designated event. I suspect that there will be a relevant infrequency in the aircraft that are used for the conveyance of persons to certain designated sporting events. The hon. Member for Stalybridge and Hyde will recognise that there will be an element of difficulty if we seek to control those who are travelling on a British aircraft to a designated sporting event within the United Kingdom. That would be a relatively infrequent use of this measure, and I accept the principle behind his argument.

As for journeys by ship, the Government feel that the master's authority will be sufficient. It is fairly widely used in the operation of the cross-Channel services, and the police have said that they have received good co-operation from that source. I shall take a view on that. I take on board the argument of the hon. Member for Caithness and Sutherland (Mr. Maclennan) that the Bill, when enacted, will apply to British vessels only. Passengers might transfer to other boats and that might bring them outside the competence of the Bill.

11 pm

The main issue was raised by my hon. Friend the Member for Bury St. Edmunds. I sympathise with the argument that the measure should be extended to cover privately owned vehicles which carry many spectators to grounds. However, such an extension would cause difficulty for the police, although if my hon. Friend suggests such an extension he must believe that the police would be happy to handle it.

We have modelled the provision on precedent. We have followed the public service vehicle definition, which has operated since 1980. I do not think that I can be accused of acting with undue haste.

I hope that my hon. Friend the Member for Bury St. Edmunds will not press his amendment. I ask him to bear in mind that we are anxious to pass the legislation before the start of the next season. He will be aware that the Government expect to introduce public order legislation next Session. That legislation could be an appropriate vehicle for reconsidering the issue if there is shown to be a significant gap in efforts to contain alcohol being consumed by those in transit to designated events. We could examine the clause in more detail if that were thought appropriate after consultation and after we have had time to assess how the Bill works in practice. I hope that the amendments will not be pressed to a Division.

Mr. Denis Howell: The Minister gave an inadequate and tortuous explanation which has nothing to do with the problem that will face the country at the end of the ban on British teams going to Europe. As I said on Second Reading, this is a Bill for all time. It is a Bill of permanency, like all legislation. The ban on our teams going to Europe is not for all time, so I agree that the ramifications of the Bill deserve more attention than we can give them tonight. I make no party point. The Bill has the agrement of all parts of the House.

We must consider the effect of the Bill in five years time when the ban on English football is lifted and when people will be travelling to the continent to watch English teams play there. All that we can do today is examine past experience. All Ministers responsible for sport have had to deal with the problem. People travel on trains well tanked up and then board boats. That will stop when the legislation is in force.

Mr. Lawrence: Why does the right hon. Gentleman think that getting tanked up on trains will stop merely because of the legislation? Clause 1(1)*(b)* states that the measure applies to a vehicle which

"is being used for the principal purpose of carrying passengers for the whole or part of a journey to or from a designated sporting event."

What is to stop a supporters' club deciding to travel by inter-city or scheduled train which is not

"for the purpose of carrying passengers"

and on which they can get tanked up? It is optimistic to say that that will be stopped by the Bill, because it will not. The problem will merely be transferred to a different type of train.

Mr. Howell: The hon. and learned Gentleman is absolutely right. He anticipates my next point. In my experience there is a much greater problem on ordinary passenger trains than on trains likely to be covered by the designation procedure. That will be extremely important in five or 10 years' time, when most people have forgotten these debates.

Equally important, what is to be a designated event in terms of European football? The Minister has said nothing about that so far. If he says that no match on the continent can be designated under the Bill, he is saying that the Bill will have no effect on British supporters going to matches on the continent if and when the European ban is lifted.

We are trying to deal with a problem, but the approach that we have taken is leading us into a tortuous mess. If the European ban is lifted in five or 10 years' time, how will the Bill help to deal with the kind of people who caused the trouble in Brussels? So far as I can see, it is completely irrelevant and could even be dangerous. I do not suggest that the amendment should be pressed to a Division, but I hope that the Government will agree to consider the points that have been raised, as the hon. and learned Member for Burton (Mr. Lawrence) has requested. The Minister has agreed to reconsider one matter. Why will he not reconsider other aspects, when good and wise advice is being given to him about the nature of the problems that will be created if he does not do so? We can agree to do that without jeopardising the timetable, but we must get this right. At present, the Bill gets nothing right in relation to European football. We must know whether matches in Europe can be designated and how the Government explain the omission of boats and aircraft from the forms of transport covered by the Bill.

Mr. John Evans (St. Helens, North): My right hon. Friend refers to the possibility of the European ban on British league clubs being lifted in five or 10 years' time, but some of the most disgraceful and appalling scenes have been caused by so-called fans following the England team, which has not yet been banned. That means that supporters of that team can still go to Europe in their usual drunken fashion, wrecking grounds and cities on the continent, which will no doubt result in a speedy decision by the European authorities to ban that team as well.

Mr. Howell: Further evidence of the Government's superficial approach to these matters is the fact that, when the England team played in south America, Fascist thugs and National Front supporters got on to the plane and insulted coloured members of the England team. I am told that the longer the journey continued and the more drink they had, the greater the problem they caused, with very damaging effects. Account must be taken of that kind of incident. Is permanent legislation of this kind relevant to that kind of incident, or is it not? If it is not, the Minister must tell us.

It is even more difficult for the Football Association to control English supporters than it is for individual clubs. I received today a memorandum from the Football League which contains three pages of incidents of the kind that we are bewailing, which have nothing at all to do with English clubs. They all took place on the continent, but little has been heard about them. Of course we must deal with our problem, but it must be dealt with in the context of the wider European problem.

Mr. Giles Shaw: It is only right and courteous that I should seek to respond to the point made by the right hon. Member for Birmingham, Small Heath (Mr. Howell). The Bill applies to events in England and Wales which are so designated, but there is a distinction between the ground and the event, as the designation procedure makes clear. Therefore, it would be possible for my right hon. and learned Friend—and I believe he intends to do so—to designate an overseas soccer match. The provisions relating to travel would then apply, but only within this country. We cannot legislate for travel on the continent of Europe. That is outside this country's jurisdiction. The right hon. Member for Small Heath knows that very well.

Mr. Denis Howell: I do not know it very well. If a football match on the continent of Europe is to be designated, I do not understand why the Bill's provisions should not apply to the aircraft or ship that carries passengers to that event. This is a technical point, which may not have been considered. The Government ought to consider it, together with the other points that have been raised.

Mr. Shaw: It would be possible for a British aircraft or ship which was carrying passengers to a designated event in, say, Brussels to be policed by the British police, but they would not have any rights at the point of landing. The usual procedure is for the carrier to assume this responsibility.

Sir Eldon Griffiths: I do not believe that my hon. Friend has disclosed to the House all the reasons which his Department has suggested for opposing my amendment. He said that he had a good deal of sympathy for the view that this ought to apply to private lorries, trucks, Land Rovers and transit vans, but that if it does not work it can always be dealt with in the public order Bill which is to be introduced later in the year. That is odd, because it means that my hon. Friend whatever his officials say, has some doubt about whether we have got it right and thinks that there might be another method of getting it right, but later. Why not now? I do not understand the logic which says that the House must press on to compel people who hire a van or bus to be caught by the Bill when those who own them are not. I do not understand the enforceability of it either.

11.15 pm

I shall not press the matter to a Division, because I rather rely on the good sense of the Government to consider and deal with the matter between now and the Bill reaching the other place. Tomorrow, I shall take a group of 250 mentally handicapped athletes to Dublin for the special Olympic games there. Many of them will travel in buses, which will go on vessels, and be followed by smaller vehicles, including Land Rovers, many of which are owned by the families involved. Those Land Rovers will carry the luggage and sporting gear.

The House should apply those circumstances to a designated football match in Belfast. The hired or public service vehicle will fall within the remit of the Bill and the police will be able to deal with it, but the wholly owned truck behind, into which the booze might have been put falls outside the Bill and cannot be dealt with by the police. The fact that they are both on a ship underlines what the right hon. Member for Birmingham, Small Heath (Mr. Howell) said. We are apparently in difficulty.

I do not think that I need to press the point further, but I beg my hon. Friend the Minister of State to note what I said on Second Reading. The police have come to the House many times and asked for this legislation and they have been dismissed. Seven or eight times I have gone to Home Secretaries in different Governments asking for action. We were always told that the police were wrong

[Sir Eldon Griffiths]

and that the Government knew best. We are acknowledging today that the police were right and that successive Governments did not know best.

I ask my hon. Friend the Minister to take account of what I am saying, not because it is based on my judgment, although I was a Transport Minister and know something of it, but because it is based on the experience related to me by the Police Federation, which is involved daily in road traffic policing on motorways. It was intimately involved with the difficulties with the miners' strike and the rest. These are practical men and they tell me that it would be extremely difficult to enforce a law which applies to public service vehicles but not to private ones.

The problem is the carriage of liquor, not ownership of the vehicle. I hope that the Government will find some way in which to apply the Bill to all vehicles carrying liquor to sporting grounds.

Mr. Evans: I thought that the Minister told my right hon. Friend the Member for Birmingham, Small Heath (Mr. Howell) that the Home Secretary will have the power to designate sporting events abroad. Presumably that means that he could designate a match in Brussels.

All of our friends in Europe who are interested in football will be watching what is happening here tonight with great interest. They will be aware that the House of Commons is rushing through a Bill ostensibly to deal with the terrible problem of football violence. We all know that this was brought about by the appalling events in Brussels a few weeks ago when 38 people lost their lives. If the Home Secretary were to designate another football match in Brussels, presumably fans who intended to go to that match would have to travel to the port of Dover, and the application of this Act would mean that no alcohol would be available on the bus or train taking them there. However, the moment they got off the train or bus at Dover, they could join the ship and embark on appalling binges all the way across the Channel. They would then disembark in France or Belgium and carry on in a drunken manner until they wrecked the city of Brussels or whichever city in Europe in which the match was to be played.

Surely the Minister will accept that the European civic, parliamentary and football authorities will not be able to make any sense out of the measure by which the British Government are presumably hoping to solve the problem in England. The Bill will not solve the problem. Nothing has been done about the English supporters in Europe, where some of the worst and most appalling problems have occurred over the last few years. That seems to be an absolute nonsense and another good reason why this Bill should have a proper Committee stage when all these issues can be looked at and proper amendments carried out. A better measure could come out of a thoughtful Committee stage.

Mr. Douglas Hogg: I listened very carefully to the remarks of my hon. Friend the Member for Bury St. Edmunds (Sir E. Griffiths). Often I agree with him, but on this occasion what he is proposing may complicate the duties of the police because the prohibition and effect within clause 1 apply to a vehicle which satisfies two criteria: first, that it is a public service vehicle, and, secondly, that its principal purpose is that set out in subsection (1)*(b)*.

My hon. Friend is proposing that it should apply to any vehicle

"being used for the principal purpose".

That is precisely the point. In respect of a public service vehicle or a railway passenger vehicle, it might be relatively easy to ascertain and then prove the principal purpose, because inevitably there will be documentation and such like which will establish the principal purpose, subject to the important point made by my hon. and learned Friend the Member for Burton (Mr. Lawrence), which arises only when potential spectators get into a public vehicle which is also going off somewhere else. That is the important point. In the majority of cases there will be hiring documents which will establish the purpose. The police may stop a private vehicle which is trundling down the motorway — a vehicle containing potential spectators — but it can be jolly difficult for them to prove the principal purpose. Unless people have got scarves and caps on their heads, they will say "A football match? I never go to football matches." The burden on the police is considerable.

Sir Eldon Griffiths: I am astonished that my hon. Friend has not been following events. We have just had the dispute in the mining industry. The police had to take a view about the purpose of people travelling in private cars, who were not wearing football uniforms, who they judged were going to a picket line, and the courts sustained them. I do not understand how my hon. Friend could fail to recognise that.

Mr. Hogg: I was very uneasy about that particular practice. The courts sustained it, but I do not like what they did in that context. I am dealing with a specific offence. We have to ask not whether it is possible but whether it is easy for police first to determine and then to prove the primary purpose of a journey being conducted in a private car by people prepared to lie. I say that it is not easy. My hon. Friend is making the task of the police rather more difficult than he currently contemplates.

Mr. Pendry: Many people here and abroad are listening in to this debate. At the beginning they might have thought that this was Parliament at its best, with the Front Benches agreeing the basic principles of the Bill, but as the debate has progressed Parliament has come out in a worse light. The Minister does not seem to be listening all the time, but I hope that he will take seriously the points that are being made. I said at the outset that I hoped that before the Bill completed its passage through the other place the Minister would reflect on what has been said.

It is difficult to get through to the hon. Member for Bury St. Edmunds (Sir E. Griffiths) when he is having another debate, but I agree with a great deal of what he said. It is difficult for people to argue about Britain's good name abroad when part of the reason for our bad name emanates from the ferries that go from here to other countries. I disagree profoundly with the Minister when he says that we have a good record there because captains have taken the right sort of action. Much of our bad name abroad stems from our licensing laws and from the fact that when these so-called supporters get on a ferry they get steadily drunk. By the time they get to the foreign football ground they have treble vision.

The Minister will be irresponsible if he does not take account of the points that have been made. We were objecting earlier because the House of Commons is

dealing with an important Bill at such a rapid pace. It is incumbent upon the Minister to reflect on the points that have been made before the Bill goes to another place.

Mr. Maclennan: I listened carefully to what the Minister said about the amendment in the name of the hon. Member for Stalybridge and Hyde (Mr. Pendry) concerning the passenger-carrying ships or aircraft. There are serious practical difficulties in the way of operating the ban which is the purpose of the amendment. An extremely important point has been raised by the amendment. We ought not to leave it on the basis that we can rely upon the good sense of captains of British vessels who may be empowered to, and sometimes do, stop the sale of liquor.

Mr. Evans: Is the hon. Gentleman aware that there have been a number of well recorded cases of drunkenness on ferries, where the captain has shut the bar and the drunken thugs have actually broken down the shutters and proceeded to rob the bar? The captain was behaving with perfect propriety, but, unfortunately, the drunks were not taking account of that.

Mr. Maclennan: Enforcement of the law is a practical problem. I see that there is a difficulty in exercising jurisdiction over foreign vessels leaving our ports and in dealing with cases such as the hon. Member for St. Helens, North (Mr. Evans) has described.

The Bill is designed to reduce the incidence of drunkenness associated with football matches. Certainly the Brussels tragedy had that dimension. If we are to make progress in limiting the damage of drunkenness to international sporting events, we need to approach the problem by means of international agreements and understandings, and some arrangement which does not apply only to British vessels.

There is a further difficulty about the amendment. It is my understanding that very few vessels are principally engaged in carrying football fans to matches abroad. The amendment probably does not cover the issue in the way that it needs to be covered. In his winding-up speech the Minister referred to the importance of the Council of Europe treaty arrangements which his Friend the Minister with responsibility for sport brought back from Strasbourg. I do not think that this matter was touched on in that treaty. It is a matter which ought to be discussed in that context, and there ought to be international agreements about the provision of alcohol on vessels or cross-frontier transport being used primarily for carrying people to sporting events.

Although we do not see this as a means of stopping a gap in the Bill, none the less it raises an extremely important issue and one which we should not simply dismiss as being dealt under the powers given to captains of vessels. There is the further point that not only is the alcohol available at bars, but that it is available in the duty-free shops at a price which most people find extremely attractive. That makes it the more hazardous and the more urgent to do something about it in an international context.

11.30 pm

Mr. John David Taylor (Strangford): The Bill applies only to England and Wales, and I had not thought that it would be necessary for a member from Northern Ireland to speak at this stage. The amendment extends the issue to ferry boats. I was thinking simply in terms of ships sailing from the southern English coast to the continent, but the hon. Member for Bury St. Edmunds (Sir E. Griffiths) mentioned ships going from England to Northern Ireland, and that raised a dfferent ussue in my mind upon which I would like some clarification.

As the Minister knows, I represent the east coast of County Down, and between there and Engand and Scotland we look upon the waters as United kingdom waters, colloquially known as British waters. As the Bill affects England and Wales only, presumably if we accept the amendment we will be talking in terms of the waters around England and Wales. Could someone please explain to me where the waters around England and Wales end and the waters around Northern Ireland commence, because up to now they have all been one?

Mr. Giles Shaw: I recognise the important point which the right hon. Member for Strangford (Mr. Taylor) has just put to me, but it would be very tricky for me to give an instant answer. I shall draw the point to the attention of my right hon. Friend the Secretary of State for Northern Ireland and ask him to comment on it. As the hon. Gentleman knows, the Bill does not extend to Northern Ireland.

I say to my hon. Friend the Member for Bury St. Edmunds (Sir E. Griffiths) and to the hon. Member for Stalybridge and Hyde (Mr. Pendry) that I do not intend any discourtesy in suggesting that we could at some time consider extending the provision to private vehicles. There is a major difficulty, and this was touched on by my hon. Friend the Member for Grantham (Mr. Hogg), in the extension of what would virtually be a stop-and-search operation to private vehicles, on the understanding that they may or may not be going to a designated sporting event. It would be an extension of policing which could be very broad and very time-consuming, quite apart from the difficulties of stopping and searching many people. To me, at any rate, it would not be something which we could entertain immediately, but would wish to take advice upon it.

The transport provisions in the Bill are meant to deal with public sector transport which is available for hire and licensed. That is why they do not cover a privately owned mini-bus, for example, or other similar vehicle in the ownership of private citizen who may have three or four other persons with him. That is how the Bill was conceived, and, of course, it was conceived in that way in the Scottish Act.

Mr. Tony Banks: I understand what the Minister says about a privately owned vehicle, but what about a vehicle hired from a hiring company? Would that be included?

Mr. Shaw: I believe that that would still constitute a privately owned vehicle. The vehicle would be owned by a private company. It would not be plying for hire in the normal sense. I shall take advice on that and write to the hon. Gentleman about it.

Mr. Banks: This is very important. I intervened on Second Reading to remind the Minister that a number of supporters are in the habit of hiring mini-vans and coaches. It is clear that they will try to get round the legislation. They are getting round the existing prohibitions on the travelling of supporters which official supporters' clubs are imposing. If the Minister does not include a provision to this effect in the Bill, he will leave a very large loophole.

Mr. Shaw: I give notice to the hon. Gentleman that I shall look at that against the background of the problem which we are seeking to contain, which is the provision of alcohol on public transport vehicles arriving for designated sporting events.

The hon. Member for St. Helens, North (Mr. Evans) asked a question relating to matches abroad. The powers of the Bill will apply to the United Kingdom portion of journeys to designated events abroad. However, we could not take responsibility for what occurs between the port of arrival on the continent and the eventual destination. The ports of departure of ferries under United Kingdom control will be able to continue to take advice on how they should run their bars. The police frequently ask them to close bars, but the responsibility will be with the ferry operators. The existence of this legislation and the importance attached to it will provide a legislative background which I imagine ferry operators will wish to see. From the point of view of a United Kingdom ferry operator, I am sure that that would be so when transporting spectators to a designated event abroad.

Mr. Douglas Hogg: My hon. Friend has been good enough to say that he will look again at various parts of the clause. Will he consider the important point made by my hon. and learned Friend the Member for Burton (Mr. Lawrence), that clause 1 does not apply when a large number of prospective spectators get on to a train whose primary purpose is not to convey those spectators to a football match?

Mr. Shaw: We considered that with some care. The transport control arrangements in the Bill derive largely from the special coach or special train arrangements which our transport operators provide. We have added other vehicles for hire — vehicles which are licensed and available for hire. However, we have not sought to extend the provisions of the Bill to scheduled services. It would be impossible to say that a scheduled service was designed purely to convey persons to a designated event. My hon. Friend will be aware that for example, on scheduled rail services British Rail byelaws enable it to cease providing alcohol, and frequently it does just that.

Mr. Pike: As I understand it, when the Millwall supporters were travelling to Luton, many of the problems did not arise on special trains. They occurred on trains running on the normal service. They would not have had bars, anyway, because of the short distance that they were travelling. People took their own drink on to the trains. If they did that, they would not be covered by this legislation.

Mr. Shaw: The hon. Gentleman will realise that should the Bill become law, as I sincerely hope it will, it will be an offence to arrive at a football ground drunk.

Mr. Pendry: I found the Minister's reply wholly unsatisfactory, as I am sure other hon. Members did. I hope that because Members of the other place will be able to read the debate they will reflect on it, note the Minister's unsatisfactory reply and take positive action. I do not at this stage intend to press my amendment to a Division, but I hope that the other place will read our debate and take appropriate action.

Amendment negatived.

Mr. Douglas Hogg: I beg to move amendment No. 3, in page 1, line 10, leave out 'designated'.

The First Deputy Chairman: With this it will be convenient to take the following amendments: No. 4, in page 1, line 10, at end insert

'to be held within the area of a designated sports ground'.

No. 36, in clause 9, page 7, line 11, leave out lines 12 to 37 and insert

'falling within part I of the Schedule to this Act'.

No. 37, in page 7, leave out lines 23 to 25.

No. 41, in the Schedule, page 9, line 3, at beginning insert

'The following sports grounds shall be treated as a "designated sports ground" for the purposes of this Act:—

All grounds at which matches between teams in the first and second divisions of the Football League may from time to time be played.'.

Mr. Hogg: This group of amendments is designed to achieve two purposes. The first is to delete from the Bill the phrase "sporting events", and the second is to seek to define within the Bill the sporting grounds to which the Bill applies. I had the advantage of advancing my arguments in favour of both propositions on Second Reading, and therefore I shall not speak in detail.

It is important to remember that the mischief with which we are dealing is hooliganism at football matches. I am opposed to any suggestion that we should extend the scope of the Bill beyond that mischief, but that is what we are doing, because the Bill enables the Secretary of State to extend the provisions on criminal offences and sanctions to any sporting event and any sporting ground that he cares to designate. He will be able to do that by secondary legislation which is subject to the imperfect control of the negative resolution, which I criticised earlier.

I should prefer the Bill, first, to exclude sporting events, because it is not necessary to bring sporting events within the control of the Bill. Secondly, and more important, the Committee should define the classes of ground to which we shall extend the Bill, rather than leave it to the discretionary powers of the Secretary of State, who can use the enabling powers which the Bill confers upon him. In summary, I wish to cut the scope of the Secretary of State's powers.

Mr. Christopher Chope (Southampton, Itchen): I support the amendments, because I am worried about the scope of the Bill. I should like to see it confined to soccer matches. In my constituency I have the Saints' football ground and the Hampshire county cricket ground, which celebrates its centenary this year. If these provisions had applied during the first day of the recent match against the Australians, during which not a ball was bowled and much alcohol was consumed — that was the only consoling event of the day — nobody could have consumed any alcohol.

The powers being taken are too extensive. I know that the Bill is based on the Scottish experience, but I am suspicious of that, because the Scots do not play cricket. Cricket is an English factor which must be considered. Therefore, I hope that my hon. Friend will feel able to restrict the scope of the Bill specifically to soccer grounds.

11.45 pm

Mr. Maclennan: I have considerable sympathy with the view expressed by the hon. Member for Grantham (Mr. Hogg) on the undesirability of extending the criminal law by subordinate legislation. I admit, however, that what is proposed has already been done in Scotland in the 1980 Act. But it would be preferable, should the Secretary

of State want to use these powers over a sport other than football, that Parliament should have an opportunity to express its view by debating an affirmative resolution.

I am not altogether in sympathy with the view about the designation of sporting events. Occasions may occur when this type of control may be needed in sport and when it would be necessary for the Secretary of State to act quickly, without reference to Parliament.

Regrettably, we do not have an opportunity to vote on whether this type of provision should be subject to the negative or affirmative resolution procedure, so the hon. Member for Grantham was right to draw the attention of the Committee to the undesirability of proceeding in the way proposed.

Mr. Giles Shaw: My hon. Friend the Member for Grantham (Mr. Hogg) has produced a series of amendments clearly designed to confine designation not only to the game of soccer but to the first and second divisions of that game, and I appreciate why he seeks to do so.

It would not be acceptable to the Government to limit the Bill, for two reasons. First, the case that he has chosen —of limiting the measure to first and second division football — would prevent the reasonable use of the Secretary of State's power to extend designation to other divisions and other sports stadiums, should he so wish.

Secondly, as my right hon. Friend explained on Second Reading, the occasion could arise when it would be desirable to add other sports to those covered by the Bill. The ability to do so should the need arise is, in our view, an important part of the primary legislation that the Committee is discussing. I reiterate my right hon. and learned Friend's assurance, also given on Second Reading, that we have no immediate intention of designating sports other than soccer.

A further objection to the amendment is that it would catch all sporting events, whatever the sport, at first and second division stadiums. Rugby league matches, greyhound racing and even athletics might be caught should they take place inside a first or second division stadium, and I am sure that my hon. Friend would not wish that to happen. I hope that he will appreciate why I cannot recommend acceptance of the amendment and that he will take the assurance that there is no present intention to extend the designation beyond soccer.

The answer to the point raised by the hon. Member for Caithness and Sutherland (Mr. Maclennan) is that, should there be orders designating other sports, they would be subject to the negative resolution procedure and laid before the House.

Mr. Douglas Hogg: I welcome the Minister's assurance. In seeking to designate first and second division clubs, I was pointing out that the Bill should enumerate the clubs, games or grounds to which the measure applied. I accept that I should have set out more clubs or divisions.

Amendment negatived.

Mr. Douglas Hogg: I beg to move amendment No. 5, in clause 1, page 2, line 11, leave out subsection (4).

The First Deputy Chairman: It will be convenient to discuss at the same time amendment No. 16, in clause 2, page 2, line 28, leave out subsection (2).

Mr. Hogg: The amendment is designed to delete from the Bill the offence of being drunk on a vehicle or on entry to a designated ground. My reason for wishing to do this was advanced on Second Reading by my hon. Friend the Member for Leicester, North-West (Mr. Ashby), who rightly pointed out that drunkenness was an extremely subjective offence. It covers a wide band of inebriation. It is not easy to prove in a court of law. In principle, I am opposed to the creation of offences which are difficult to establish as matters of evidence. There are already relevant offences such as that of being drunk and disorderly, which is somewhat easier to prove than the simple offence of being drunk. I am therefore opposed to the creation of offences which are difficult to prove.

Moreover, the Bill already contains prohibitions that go a long way to achieving what the Minister of State would like to achieve—a restriction on excessive drink. Those clauses, of course, contain the prohibition on the possession of intoxicating liquor and on intoxicating liquor being consumed in public service vehicles. I think that these two offences are too subjective to be included in the Bill. For that reason, I wish them to be deleted.

Sir Eldon Griffiths: I wish that my hon. Friend the Member for Grantham (Mr. Hogg) were not sitting quite so close to me because I have to say that I hope that the Minister will resist the amendments.

It is a common problem for the police to deal with the offence of drunkenness. The advice to me is that the amendments would handicap the police in administering the law and in handling the problem.

Mr. Ashby: I spoke on Second Reading on this point. There are existing offences of drunkenness in public places in any event. This does not add a great deal to the existing law. A public place is a place to which the public have access. I should have thought that, right up to the gates of the sports stadium, if not within it, those being places to which the public have access, the offence of drunkenness is an existing offence.

The offence of drunkenness in a public place is very difficult to prove. We now have intoximeters. It is very simple to put an intoximeter limit on this. Why not create a specific offence, if we are to have such an offence, and let people know that they cannot drink, say, more than three pints of beer and go to a sports ground, rather like driving a car? One would have to have a licence to go to the sports ground and the offence would be that one was drunk in charge of a sports ground. Then we would know where we were.

Mr. Giles Shaw: I fully understand the desire of my hon. Friend the Member for Grantham (Mr. Hogg) to remove an offence that he finds it difficult to prove; that must be an embarrassment in many ways to a lawyer of his distinction.

One of the main principles of the Bill is to eliminate drunkenness on arrival at a designated sports ground, which is what we are discussing.

Mr. Chope: Is it not already an offence to arrive at a sports ground drunk? Section 1 of the Licensing Act 1902 states:

> "If a person is found drunk in any highway or other public place, whether a building or not . . . and appears to be incapable of taking care of himself, he may be apprehended and dealt with according to law."

There is the further offence of being drunk and disorderly. Can my hon. Friend say why these offences, which are already on the statute book, are not being enforced to a greater extent?

Mr. Shaw: I am coming to that. As my hon. Friend says, there has existed since, I think, 1872 the common offence of drunkenness. I am not entirely convinced whether, after more than 100 years, it has been difficult or impossible to prove in courts of law. It has certainly stood the test of time.

We are not entirely clear yet that the public place element, to which my hon. Friend the Member for Leicestershire, North-West (Mr. Ashby) referred, applies to all parts of a football ground. We have had certain cases in relation to the pitch which have been accepted as being public, but not on an alcohol offence. To make it clear that this will be the case, we have thought it necessary to make this provision.

I am sure that my hon. Friend the Member for Grantham will recognise that if we are to provide proper legislation we must deal with drunkenness within the context of the designated sporting event and stadium. Therefore, I hope that my hon. Friend will withdraw the amendment.

Amendment negatived.

Clause 1 ordered to stand part of the Bill.

Clause 2

OFFENCES IN CONNECTION WITH ALCOHOL, CONTAINERS ETC. AT SPORTS GROUNDS

Mr. Douglas Hogg: I beg to move amendment No. 7, in page 2, line 19, leave out from 'liquor' to end of line 20.

The First Deputy Chairman: With this we shall discuss the following amendments: No. 20, in page 2, line 33, leave out subsection (3).

No. 21, in page 2, line 39, at end add

'provided that at the material time

(i) it does hold such a product and

(ii) is not used by any person deliberately to cause injury'.

Mr. Hogg: The purpose of the amendment is to delete the reference to "controlled container" in clause 2. The object behind the inclusion of this part of the Bill is to reduce the number of objects that can be used as missiles and thrown at people — hence the restriction on the possession of controlled containers.

The Committee will wish to understand that the definition of a controlled container is so wide that, in effect, it would include any object containing liquid, other than medicine bottles. It would apply to obvious objects, such as a beer bottle, but also to a hip flask, a thermos flask, a carton of milk and a bottle of scent. No doubt there are other bizarre examples.

The prohibition on a controlled container is an instance of the Government going too far in an attempt to deal with a mischief. There are three reasons for saying that. The Bill provides that it is an offence to possess intoxicating liquor at a designated ground. For obvious reasons, one cannot possess intoxicating liquor unless one also posseses the container to hold it. Therefore, once there is a prohibition on the possession of intoxicating liquor, with that is an effective prohibition on the possession of a container.

If we consider the classes of container to which the prohibition applies—thermos flask, milk carton, and so on—we immediately realise that those are not the sort of objects likely to be thrown. I accept that people who are drunk might want to throw a beer bottle, but they are caught by the prohibition on intoxicating liquor. The sort of people who come to grounds equipped with a thermos flask, a carton of milk or a wife's bottle of scent would not wish to throw missiles.

The Bill is capable of being extended widely. For example, it could be extended to cricket matches. I can understand that the Committee might take the view that, because a football match is of relatively short duration, it does not matter if people are stopped from consuming liquid during the match, unless they go behind the stand. But what happens if that is applied to racing, to Henley or to cricket? The prohibition would become oppressive. for example, one could not have a bottle of coke or a thermos flask or drink a milk shake. That would be an example of the Government going too far—yet the opportunity to do so is contained in the Bill.

Therefore, I must tell my hon. Friend the Minister that this is an instance of the Government, out of an abundance of caution, introducing legislation that is neither necessary nor desirable.

12 midnight

Sir Eldon Griffiths: I should like to speak to amendment No. 21. My concern is that there is excluded from the definition of "controlled container" anything that is used to hold a medicinal product within the meaning of the Medicines Act 1968. That is fine, because we must cover St. John Ambulance people, the Red Cross and others present at football matches to render first aid. However, it is within the knowledge of those who have to enforce the law at football matches that once a medicine bottle has been emptied, possibly for a perfectly good reason, and is then discarded, it can become the very thing that we seek to prohibit—a missile. It can be thrown.

Therefore, it is important that when we exclude something containing a medicinal product, we are sure that it contains medicine and will not be used to injure somebody else. If a hooligan got hold of a full medicine bottle, or a syringe—although I am not certain that a syringe comes under the Medicines Act—and threw that bottle, it would cause just as much damage as a beer or milk bottle. It is not what the bottle contains that matters, but the damage that it can do. I hope that my hon. Friend the Minister of State will look at the intention of amendment No. 21.

Mr. Ashby: I hope that my hon. Friend the Minister will bear in mind two points. First, I am disappointed, because I thought that the directors would be able to have a cup of tea at half-time, but I think that the teapot and the cups would be designated as containers, and they would not be allowed to have them.

Secondly, one essential amendment will have to be made in the other place. No game is complete without a gentleman on the sidelines with a bucket and a sponge. An amendment will have to be moved to permit a bucket and a sponge to be on the pitch so that people who are injured can receive that little bit of water that seems to do them so much good. That is essential.

Mr. Jim Lester (Broxtowe): I have one brief point to make with regard to missiles. People have been injured by £1 coins that have been thrown at goalkeepers. Where does one finish?

Mr. Pike: I recognise that there are difficulties on the amendment. The hon. Member for Grantham (Mr. Hogg)

referred to other sporting events. I do not want to pursue that line, because I hope that we shall not reach the stage where the Minister has to extend designated grounds to sports such as cricket, rowing, and so on. One hopes that those crowds continue to behave responsibly and that the football crowds will return to doing so.

The hon. Gentleman said that a football match lasting an hour and a half was not long, and that perhaps it was not necessary to have a drink. With respect, in my part of the country, where it is cold in the winter, a cup of tea or soup from a thermos flask is a common thing for supporters to have. I have no doubt that if they cannot take that soup or hot drink along to have at some stage of the game, some spectators, particularly in January and the colder spells of the season, will be deterred from going to the sporting event.

I recognise the difficulty of dealing with the alcohol problem and how to determine what is in a thermos flask, but I hope that the Minister will accept my point. I know that the south can get cold weather, but in the north, on open terraces in the winter, a hot drink of soup is welcome to many spectators. At many grounds, if there were a large crowd, it would not be possible for all the spectators to buy a hot drink from the facilities at the club. Therefore, many would depend on being able to take in a thermos flask.

Mr. Humfrey Malins (Croydon, North-West): I understand what the Government are trying to do, but I hope that we shall be able to ensure that fathers will be able to take their sons to football grounds and have a flask of soup or whatever and that the lady who has her bottle of perfume will not be guilty of an offence. The way round the problem may be to alter clause 2(1) to read:

"A person who has intoxicating liquor or, without reasonable excuse, a controlled container".

That would mean that a person would not automatically be guilty of an offence. The use of the words "without reasonable excuse" would enable people to plead not guilty if they had something straightforward such as soup or perfume. That would achieve what the Government want, so could those words be inserted?

Mr. Chope: The Bill would not be dramatically weakened by the removal of references to controlled containers, bearing in mind that containers with alcohol in them would already be excluded by the Act, if the Bill becomes law. I was concerned to read a summary of the Bill in *The Times* that described a controlled container as

"any bottle, can, or other portable container designed to carry liquid, but medicine is excluded. Obviously police will be expected to exercise their discretion."

Loose definitions that lead commentators to say that police will exercise discretion as to whether to arrest somebody who, for example, has a thermos flask with him, bring the law into disrepute. If Members of Parliament, or a member of the legal profession or anybody who does not have a criminal record commits an offence, he does not want to rely on the good sense and discretion of the police not to arrest him because the law was not sensible. It would be better if the Government thought again about this part of the Bill, bearing in mind that it does not go to the root of the mischief with which the Government are seeking to deal—alcohol abuse outside football grounds.

From the notes on clauses, it seems that the justification for this clause is that controlled containers do not amount to offensive weapons within the meaning of the law. The notes on clauses make it clear that if somebody had an object with him that he uses, or intends to use, in an offensive way, that will be against the law.

Why pick just on thermos flasks and other similar containers? What about people who take fireworks on to the terraces? What about people who take banners on to the terraces? These often have poles attached to them, and are in themselves often provocative and obscene. The Government could think more clearly about this, and have a specific clause dealing with offensive weapons and objects that could be used offensively. They could be dealt with separately from this clause, which deals with intoxicating substances.

Sir Eldon Griffiths: It may be for the convenience of the Committee if I ask my hon. Friend the Minister a couple of questions so that I do not have to intervene in his speech. First, if, quite lawfully, following an exemption that has been granted by a magistrates court, a football ground is allowed to serve drinks in those areas that are out of the view of the pitch, those who go to get their drink will have to receive it in something. Do I take it that they will be able to receive it only in what one can only call soft containers, and that the club will not be allowed to serve alcohol in glasses or cans or anything like that? I hope that that will be the condition of the magistrates court granting the exemption.

Secondly, there will be a real practical problem if thermos flasks were to be excluded from the clause simply because it is not beyond the wit of man for those who wanted to circumvent the Act, if the Bill becomes law, to take booze into the ground by carrying it in their thermos flasks. One cannot ask the police or the club to have to require people to open their flasks so that the contents can be checked on.

Mr. Giles Shaw: My hon. Friend the Member for Bury St. Edmunds (Sir E. Griffiths), in his final observation, put his finger on one of the problems that we face, which is to provide reasonable restraint as defined in the Bill against the misuse of containers. The use of containers can be extended substantially, without much intellectual effort, to include a range of articles which in one sense are containers and which when empty are articles which, potentially, can be used for offensive purposes.

We must recognise the problem of offensive weapons being used in football crowds. Their use has become all too frequent during matches. Indeed, it has been discovered that £1 coins are used as offensive weapons. The misuse of containers is a problem and the Scottish Act includes definitions of "container" primarily to deal with the offensive nature of the problem as well as to exclude alcohol being brought into a ground in a container.

We shall not be doing a service to the general provisions of the Bill if we seek to dilute the problem that we face with the misuse of containers once they have been emptied of something that might be lawful to take to a match. If the trainer's bucket is to be a plastic one, that might satisfy my hon. Friend the Member for Leicestershire, North-West (Mr. Ashby) and the trainer. Such a container is unlikely to be used for an offensive purpose and we shall have to ensure that it is kept full of water. In that way it would be used for the purpose for which it was intended.

Mr. Ashby: There is a problem, because an absolute offence is being created. There is no excuse, and whether the bucket is plastic or any other material, its use will be an offence. That is as sure as night follows day.

Mr. Shaw: Unless it is used for medicinal purposes. Football trainers have a number of containers which they use for various purposes. For example, aerosol sprays are widely used by trainers and others who attend those who are hurt, so called, in football accidents, but they could be used as offensive weapons. They would be caught under this measure but for the fact that they could be regarded as part of the medicinal needs of those who operate as trainers.

We must be sure that the interpretation of this provision is sensitive to the needs for which it is designed to apply. The example that was directed to cricket is one that we must examine carefully. The Scottish Act has been on the statute book for some time, and it is enforced in a country with quite a cold climate in which a thermos flask, for example, might be used frequently. As I understand it, such containers have not caused a problem. However, I take the point and we shall have to consider carefully whether we have things right. I hope that I take the Committee with me on the importance of dealing with containers which can be misused and at the same time dealing with containers of alcoholic liquids.

Mr. Ashby: I hear what my hon. Friend says, but a lady with a handbag containing a bottle of perfume will most certainly be guilty of a criminal offence if the Bill becomes law in its present form. This is an extremely serious matter. I do not see how the guidance that is issued to the police will overcome the problem. We cannot pass a law which says that someone is definitely guilty of an offence without a defence and then advise the police not to enforce it. I ask my hon. Friend to comment specifically on that. Secondly, he has not covered my point about acting without reasonable excuse.

12.15 am

Mr. Shaw: That is a helpful observation. We do not want to make it impossible for a person to carry a container which has a legitimate purpose. However, containers can be misused. I shall consider what my hon. Friend has said.

Mr. Malins: We should try as hard as we can not to have absolute offences. They are obnoxious. The House always makes every effort, when legislating, not to create absolute offences, but to legislate for the guilty mind, or mens rea. The amendment provides for mens rea and suggests a better form of offence. We should do everything possible to avoid absolute offences.

Mr. Douglas Hogg: I listened carefully to my hon. Friend the Minister of State. I distrust what he said about there being certain circumstances in which it might be necessary to ameliorate the rigour of the law by guidance. He is saying that we are about to introduce a criminal offence, but that if we find it is oppressive someone will whisper to a police officer that it should not be enforced too strictly. I am against that.

Hon. Members have given examples, some of them flippant, of articles which could be described as a "controlled container". Because we have proceeded to the Committee stage so soon, we have not exhausted the range of articles which will fall within that definition.

My hon. Friend the Member for Leicestershire, North-West (Mr. Ashby) mentioned the bucket at the side of a pitch. I suspect that articles in an ambulance would fall within the definition of a "controlled container", but they will not be saved by the provision in subsection (3), which refers to "medicinal" products within the meaning of the Act. I suspect that some containers which we want to be within a ground will be caught by the Bill. I understood the Minister to say that he was prepared to look again at the definition of a controlled container. If he is giving such an undertaking, I should be pleased to withdraw my amendment.

Mr. Giles Shaw: We have to ensure that we secure the main objective, which is to prevent people from entering a ground in possession of alcoholic drink in containers which, if misused, could cause injury and thus become offensive weapons. Some containers made of light plastic, such as a lady's scent bottle, might come into that category, although a plastic bottle is likely to be less injurious than a metal bottle. The point made by my hon. Friend is that we need to clarify what is meant by an offensive container. I shall examine that.

Mr. Douglas Hogg: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

The Chairman of Ways and Means (Mr. Harold Walker): We now come to amendment No. 9, with which it will be convenient to take amendments Nos. 10, 11, 18, 22, 29 and 31.

Mr. Douglas Hogg: I do not wish to speak to amendment No. 9 as it deals with ground that the Committee has already covered.

The Chairman: If amendment No. 9 is not moved, the other amendments fall.

Mr. Denis Howell: So that we may debate amendment No. 22, I will move amendment No. 9 formally.

Amendment proposed: No. 9, in page 2, line 21, leave out from 'time' to 'when' in line 22. — *[Mr. Denis Howell.]*

The Chairman: With this it will be convenient to take the following amendments: No. 10, in page 2, line 21, after 'time', insert

'up to one hour before or one hour after or'.

No. 11, in page 2, line 23, leave out 'the' and insert 'an'.

No. 18, in page 2, line 29, after 'time', insert

'up to one hour before or one hour after or'.

No. 22, in clause 3, page 3, line 27, leave out subsection (3) and insert—

'(3) Where any part of the premises from which designated sports events at the designated sports grounds are concerned, it shall be a condition of the licence that intoxicating liquor shall not be sold or consumed from a period within 30 minutes of the commencement of the sporting event and until 30 minutes after its conclusion.'.

No. 29, in clause 6, page 6, line 16, after 'time', insert 'up to one hour before or one hour after or'.

No. 31, in clause 7, page 6, line 26, after 'time', insert 'up to one hour before or one hour after or'.

Sir Eldon Griffiths: I think that I can be almost as economical and helpful as my hon. Friend the Member for Grantham (Mr. Hogg). I put down my amendments without having studied sufficiently carefully the later interpretation clause in which the Government have made

it clear that they would expect the event in question to cover a period of two hours before as well as two hours after play. If the Government are satisfied that that period is sufficient to cover the bringing of alcohol in to a ground I shall not press those amendments.

Mr. Giles Shaw: The arrangement in the Scottish legislation was for one hour before and one hour after play. That is why it is in this Bill. There is no other reason. If my hon. Friend believes that the period should be longer than one hour, I shall be happy to listen to his reasoning.

Sir Eldon Griffiths: Clause 9(4) states:

"The period of a designated sporting event is the period beginning two hours before the start of the event".

Mr. Pendry: I shall speak briefly to amendment No. 22, as I know that other hon. Members also wish to speak to it and as I raised many of the points that it covers on Second Reading.

As the Committee stage unfolds it is becoming clear that those of us who argued for more time to consider these matters—especially for the Government—were right. I suspect that my right hon. and hon. Friends on the Opposition Front Bench are now kicking themselves for having agreed with the Government as much as they did.

The Government really must yield on amendment No. 22. It is an all-party amendment in the names of Members who are genuinely concerned with soccer and know something about its problems. Even now, the Minister seems not to appreciate the impact that the Bill will have on clubs. They need the corporate market as much as the money from the turnstiles. They need to cater for members on the terraces as well as for the corporate market, but the one helps the other and they need both to improve the facilities at grounds. The Minister will be held responsible for altering the structure of football with this blunt instrument in a way that those of us who in another context are arguing for verticalisation or rationalisation of the structure of football greatly regret, because it means that some of the best clubs will go to the wall as a result of the Bill while others which perhaps do not deserve to remain in existence may survive.

The basic premise of the amendment is that little alcohol is consumed at football grounds. The three matches that led to the introduction of this legislation were played at football grounds where alcohol is banned. Although the hon. Member for Bury St. Edmunds (Sir E. Griffiths) represents the Police Federation of England and Wales, I do not believe that he is arguing the case that the police in charge of football grounds would argue. They would prefer drinking to take place in football grounds so that they can take corrective action if they see that people are getting drunk.

We must be even-handed and ensure that this does not become a class problem. The Minister of State may introduce a new element of hooliganism if he is not even-handed. It is no use for the Minister to ask football clubs to put their house in order. He made the ridiculous suggestion that private boxes should be turned round to face the other way. This would involve football clubs in additional expense. He must face the fact that he is barking up the wrong tree.

Football clubs need their executive boxes to provide the revenue for the one hundred and one things that the clubs are being asked to do. The 19 clubs with executive boxes, and other clubs, are doing all that the Government are asking them to do. They are providing closed circuit television, computers and better policing, security and safety precautions. The Government must not underestimate what football is doing. During the last few years it has not been blind to what has been going on and it is doing something about it. If the Minister follows the game, as some hon. Members do, he will know that a new kind of leadership is developing which is adopting a much more constructive approach to the game.

The amendment attempts to be even-handed. It recognises that the consumption of alcohol at football grounds is not a major problem, yet it attempts to meet the Government more than halfway by providing that when a game is in progress, as well as half an hour before and half an hour afterwards, the ground will be dry. Clubs will still have sponsorship and executive boxes. They would not be able to operate in the same way but they would still be able to gain revenue.

The amendment is a compromise. It meets many of the Government's points, but it also deals with the problems that face football clubs. The needs of the 19 football clubs, which generate through these activities over £4 million, will not be met by the Government. They have turned their back on helping football. They will not allow part of the money that is generated by football — for example, football pools — to be ploughed back into the game. They must be fair to football, and this is a way in which the Government can be fair.

I accept that the amendment will pose a problem for the Government. The designated sporting event will have to be redefined to include half an hour before and half an hour after the game. That is not impossible. An amendment could be moved to that effect in another place. The amendment would introduce equity, a point that has been mentioned a number of times, and would ensure that the football world recognises that the Government have listened to the points that have been made and that they are prepared to be flexible and to make adjustments. We should examine how, with an amended Bill, the requirements of the Government, the football world and the general public can be met.

Mr. Lester: I do not know whether this is the right time to debate general principles. The development of sponsored boxes has not changed the fact that most football clubs do not have public facilities for drinking. We are not changing the class structure, which means that the punter cannot drink but the person in the box can, as that has been the case ever since the boxes have been built.

The Chairman: Order. I wonder whether the hon. Gentleman's comments might not be more relevant to the next group of amendments.

Mr. Lester: I shall endeavour to catch your eye on the next group of amendments, if that is your guidance, Mr. Walker.

12.30 am

Mr. Denis Howell: I am sorry to disappoint you, Mr Walker, but I need to speak on this group of amendments. The Government are attempting to obtain equity as between the consumption of liquor in private boxes and in bars around the ground, but they have done so in a way which could impose heavy fines on football clubs.

I am glad that my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry) and some

[Mr. Denis Howell]

Conservative members think that they can meet the Government's desire for equity, which we share, by other means. The ingenious means proposed is the application of licensing laws and times to football grounds. I cannot see why the Government are being so obstinate about such a proposition.

The police and everyone else have experience of the known times under licensing laws beyond which it is illegal to buy or consume drink. The police operate that law throughout the country in thousands of public houses and private clubs. It is beyond me why we should not apply the same logic to football clubs. Moreover, it gets us off the hook by achieving equity by a means which is not financially ruinous. I should have thought that the Government would have welcomed that.

On Second Reading, the Minister said that people who want to drink can go behind the box to a place out of sight of the terraces. We are talking about boxes in which three-course meals might be served before a match because Imperial Chemical Industries, for example, wants to entertain guests with a reasonable meal. A Home Office Minister constantly invites me to go to Fulham football club and to enjoy such a meal with him. I am very grateful to him. I have not yet been able to take up his very kind and generous offer, but it is the normal way in which hospitality is provided in these boxes.

If the Minister is right—he obviously thought it was far-fetched, but, applying his own logic it is not—I would first have soup. If I then wanted white wine to go with the fish course, I would have to jump up, leave the box, nip behind and have my glass of white wine out of sight and return for the fish course. When I had finished the fish course, which I would have to eat without drinking wine, I would have to go through the same procedure for the main course; go out again to get a glass of red wine before having the beef or the lamb. This is absurd.

Sir Eldon Griffiths: Not a glass.

Mr. Howell: "Not a glass," says the hon. Gentleman. It is worse if I have to drink red wine out of a cardboard carton. Such a wretched proposition I would have thought not even this Minister would put before the Committee.

Mr. Lester: Would not things be more acute if we both went to the match after the meal and the right hon. Member chose to drink whisky and I chose to drink dry ginger? He would have to go behind the screen and drink his whisky, whereas I could drink my dry ginger and watch the match.

Mr. Howell: I am not sure that the hon. Gentleman could, subject to what the Minister tells me. If the hon. Gentleman is right, because he is having a non-alcoholic drink——

Mr. Ewing: In a container.

Mr. Howell: It would have to be in a container which was not likely to be injurious or broken. The hon. Gentleman is right. It is absolute nonsense.

Ninety-nine per cent. of people going to football matches are not going to be involved in the drink problem. We all agree that the drink problem occurs outside, not inside, grounds. It is outrageous to impose these absurdities on decent people who want an afternoon out at a football match and to enjoy a drink and a meal while they are doing it. That is the first of the Minister's gaffs, and I urge him to think again about it.

We want equity. There should be no difference between the working man on the terrace having his half pint with his pie and people in boxes having wine with their meals. They should be treated with equity, but we must do it in a way which does not affect the revenue of the organisation we are trying to protect. We may find it difficult to get a cure for the disease, but that is no reason to kill off the patient. The Government are doing something akin to saying to a gentleman, "You are overweight. We want you to slim, but as you are having difficulty, we will amputate your leg in order to get you down to the right size." That is the solution that the Government seem to be producing.

Mr. Giles Shaw: Am I to understand from what the right hon. Gentleman is saying—which admittedly is in relation to an amendment about time—that he is asking for a review of the provisions in this Bill in so far as they affect private boxes? The right hon. Gentleman will be aware that the measure currently being debated has been brought forward after discussion with the right hon. Gentleman and his and right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) and representatives of other parties as an agreed measure. He will be further aware that in the discussion apropos the part dealing with this particular issue—the provision of private boxes—it was a matter of real concern to his right hon. Friend the member for Gorton that the matter be dealt with in the way that it is currently before the Committee.

Mr. Howell: The Minister of State was not present, but he will know that when we took part in discussions with the Home Secretary we urged him to deal with the problem as proposed in the amendment. The Minister of State is right to point out that we urged the Home Secretary to make sure that there was equity. We said that there should not be discrimination between the man sitting in the sponsor's box and the man on the terrace. There would be incitement if someone on the terrace who was not allowed to drink could look into a box and see people drinking. That would be provocative.

The Chairman: Order. I do not want to restrict the right hon. Gentleman in any way on this point, but I must remind him that the amendments before us deal with time and that they are to be followed by a group of amendments that deal with private enclosures and boxes. He ought not to anticipate the debate on the next group of amendments but should confine his remarks to the amendments that are before the Committee.

Mr. Howell: I am in a little difficulty, because I have to respond to what the Minister of State has fairly put. I am not complaining about him referring to private discussions that have gone on between the two sides. I am trying to explain how the matter arose. We all want equity on the basis that it does not penalise clubs financially.

Even though I have been party to an agreement with the Minister—an agreement that was reached before the matter came before the Committee—I would not be so presumptuous as to stick to that agreement, ignoring completely anything that might be said in the Chamber that should cause us to think again. That is the rather arrogant attitude that is now being taken by the Minister. I hope the same attitude is not taken on this side of the Committee. If it were, I would condemn it equally.

There is no point in having a Parliament unless the Government are prepared to listen to what is put to them and to say, "That is a convincing argument. We should consider it." Even though I have reached agreement with the Minister, it would be presumptuous of me, having heard other arguments from the football authorities and from hon. Members on both sides of the Committee, to say that I will not move one iota from the position that we took up seven days ago.

Earlier, when many of us suggested that we needed a levy board, the Minister said that the football authorities could set up a levy board if they wished to do so. This is only a small point, but it needs to be corrected. As the Horserace Betting Levy Board is a statutory body, the same would have to apply to football——

The Chairman: Order. Whatever the merits or demerits of that argument, I hope we will not get into it on this group of amendments.

Mr. Howell: I promise not to repeat on the next group of amendments what I have just said, but I hope that we can then have answers to these questions if we cannot have them now. They are fundamental to the good will we want from everybody if the Bill is to succeed.

Mr. Giles Shaw: The amendment is in the name of the hon. Member for Stalybridge and Hyde (Mr. Pendry) is concerned with the arguments that he touched on during the Second Reading debate about the relaxation of controls in the Bill on the sale and supply of alcohol to occupants of boxes and restaurants. This is primarily the purpose for which the hon. Gentleman is moving the amendment.

I still do not accept that it would be right to do this. I must maintain again that where a club has been granted an exemption order in appropriate terms it would still be possible for box occupants and anyone else to have drinks in areas that are out of sight of the pitch. That is a reasonable facility in view of the arguments that have been advanced in other quarters for a total and absolute ban. The biggest single difference, as I think the hon. Member for Stalybridge and Hyde will concede, between the 1980 provisions affecting Scottish grounds and those currently before the Committee is the exemption procedure.

12.45 am

I realise that in the amendment the hon. Gentleman is referring to the suggestion that a licensing procedure be introduced on a time scale, so that instead of the designation of a sporting event being two hours prior and one hour after—and I apologise to my hon. Friend the Member for Bury St. Edmunds (Sir E. Griffiths) for confusing the issue and saying two and two — he is seeking to reduce it to half an hour prior and half an hour after. The reason for which he is doing that is primarily to enable the provision of entertainment and facilities in sponsored boxes to continue for a futher period of time, and also, in consequence, to allow alcohol to be provided in other parts of the ground for a longer period before the designated restriction would apply.

In seeking to deal with alcohol as an element in the problem affecting crowd behaviour within sports stadiums, we are minded to follow the Scottish Act. It is that Act, its availability on the statute book for some five years which has enabled the Government, with the agreement of the Opposition parties, to bring the measure before the House in a short time.

The right hon. Member for Birmingham, Small Heath (Mr. Howell) raised a separate point. What he was seeking to do in discussions with my right hon. and learned Friend the Home Secretary was to argue that this should be part of the agreed legislation to come before the House. I am not aware that that was the case in the discussion that took place. As the right hon. Gentleman knows, I was not a party to the discussion, but I have consulted my right hon. and learned Friend the Secretary of State and it is his view that the provision of the principle that there should be a reduction in the time to enable, as it were, a licensing system to apply, should not apply to the Bill. I would go further than that. There was—*[Interruption.]*

Mr. Denis Howell: I shall not tolerate that kind of behaviour from the Home Secretary. It is outrageous that he should attempt to shut me up.

Mr. Shaw: What I am concerned about is that we would be seeking to depart from the principles of what was an agreed piece of legislation. I am aware that the hon. Gentleman and other hon. Members and my hon. Friends have tabled an amendment relating to boxes and their designation. My answer to the hon. Member for Stalybridge and Hyde on this proposition is that in all conscience I cannot square it with the determination to reduce the provision of alcohol within designated sports stadiums at designated sporting events, because that would be the effect of the time reduction that he proposes. As he knows, this is major provision in the Bill and it is a matter which would affect not just the private box provision. A limited number of clubs, albeit first division and perhaps some second division clubs, enjoy a substantial income from this source.

If a way could be found of ensuring that income would not be significantly reduced I should be glad to hear about it, provided that it was consistent with the principles of the Bill which we have so assiduously sought to discuss and agree with all parties in the House in relation to England and Wales. That is the problem that I have at this juncture, and if the hon. Member for Stalybridge and Hyde presses the amendment to a Division, I shall advise my right hon. and hon. Friends to reject it.

Mr. Denis Howell: I do not want to prolong the difficulty which has arisen, but the Home Secretary obviously advised the Minister of State how to reply on a matter which arose in the right hon. and learned Gentleman's absence, and he is wrong. That being so, I object to the right hon. and learned Gentleman waving me down and virtually saying that I should keep quiet. I did not introduce the subject of our discussions. It was introduced — I made no complaint about it — by the Minister of State in response to a point that I had made.

At the first meeting, when I was present, we asked the Home Secretary to take away and consider what is now amendment No. 22. That is what I said. I know that at a subsequent meeting when I was not present my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) and the Home Secretary reached agreement. That is what I said, and I am not complaining about it. But I went on to say that, in view of the fact that we had had representations from the football authorities and hon. Members on both sides of the House, it would be churlish in the extreme if a possible way out of this dilemma were not taken on board because agreement had been reached between the two Front Benches.

Mr. Brittan *indicated dissent.*

Mr. Howell: I do not know why the right hon. and learned Gentleman shakes his head. I am sure that he does not want to appear to be saying to the Committee, "We don't care tuppence about anything that any hon. Member says, because the two Front Benches have reached an agreement." That is the effect of what the Home Secretary is doing, and I for one disapprove of it.

Sir Eldon Griffiths: It is a long-standing and very good tradition of the House that when hon. Members refer to documents that have not been laid before the House of Commons, they are normally expected to do so.

The right hon. Member for Birmingham, Small Heath (Mr. Howell) and possibly my hon. Friend the Minister of State are referring to some discussions that are outwith the knowledge of the Committee. I know that this happens and that it is necessary for the orderly conduct of the business of Parliament that it should happen. I do not complain about it, but I find it tedious and unparliamentary that there should be argument back and forth between the two Front Benches about who said what in private discussions that are no part of the Committee's business. I object to it. But if the Home Secretary says that the amendment now being debated was not part of those discussions, I, and I am sure the whole Committee, will accept what he says.

Mr. Pendry: I found, as I hope other right hon. and hon. Members did, that the Minister's reply was very unsatisfactory. I do not really care whether my right hon. Friend the Member for Birmingham, Small Heath (Mr. Howell) or the Home Secretary is right. What is clear is that a cosy deal was made to which the rest of us were not party, and perhaps this is the time when we should all protest. This is an all-party amendment. It was tabled genuinely, in ignorance of what was going on between the two Front Benches, as a way forward out of a difficulty.

I believe that the wording of the Scottish Act, which of course comes into this proposed legislation, is one of the reasons why we are getting into difficulty. When discussing this legislation, any comparison between the two countries is quite erroneous. The position in Scotland is quite different from that in England and Wales.

Since the Minister's reply was very disappointing and since it appears that even the cosy deal which was or was not made is causing friction between the two Front Benches, I urge Back-Bench Members on both sides of the Committee to see the validity of the case put forward and to vote for the amendment.

Mr. Pike: There is one other matter at which I hope the Minister will look again. There is some doubt about the meaning of the present drafting, and in my view amendment No. 22 would make some improvement. A later part of the Bill refers to the sale of alcohol being consumed an hour after the advertised time of the end of the match; but the amendment, which states half an hour after the conclusion of the event, is far clearer. Matches do not always finish on time. The start can be delayed. Therefore, problems could arise from the present wording.

For the many reasons given by my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry) and by my right hon. Friend the Member for Birmingham, Small Heath (Mr. Howell), I hope that the Minister will agree to consider the matter further. If he is not prepared to do that, I shall support the amendment.

Mr. Douglas Hogg: I understood the Minister to say that while he could not give a formal undertaking to reconsider that particular provision, he was receptive to representations designed to protect the income of the clubs, at present derived from executive boxes, provided that it would not damage the Bill's main purpose. Although I put my name to amendment No. 23, which has considerable force, I should be content if the Minister made it clear that he would be receptive to representations from the industry and would try to meet its wishes, provided they did not prejudice the main purpose of the Bill.

Mr. Giles Shaw: It may be for the convenience of the Committee if I were to clarify the matter. When I commented on the amendment, I said that I understood the concern expressed by my hon. Friend the Member for Grantham (Mr. Hogg) and the right hon. Member for Birmingham, Small Heath (Mr. Howell) about the threat to the income from sponsored boxes at clubs. However, I pointed out that a later amendment related to that specifically, whereas this amendment referred to the designated time of the sporting event. I regard this as a separate and broader issue. I am not persuaded that I should do anything other than advise the Committee to reject the amendment.

Mr. Pendry: I am not entirely persuaded, but I can see from nods from my colleagues that there may be more hope in not pushing this amendment and awaiting the outcome of amendment No. 23 than by dividing on it. On that basis, and showing the sort of flexibility that I am asking the Government to show, I shall not press the amendment.

Amendment negatived.

Sir Eldon Griffiths: I beg to move amendment No. 12, in page 2, line 23, leave out from 'ground' to 'or'.

The Chairman: I understand that it is desired not to proceed with amendment No. 15, so with amendment No. 12 it will be convenient to consider the following amendments: No. 13, in page 2, line 23, after 'viewed', insert

'unless that area forms a completely separate and closed section of the ground where direct contact with those spectators in the external viewing area is impossible for the duration of the event'.

No. 23, in clause 3, page 3, line 29, at end insert

'unless that area forms a completely separate and closed section of the ground where direct contact with those spectators in the external viewing area is impossible for the duration of the event.'

Sir Eldon Griffiths: This is a fundamental amendment, as it touches on the entire mischief of the Bill, which is that we are seeking to ban alcohol at football matches, except in that part of the football ground from which the football match cannot be seen. If one cannot see the pitch, one may obtain alcohol and drink it there. I am unable to understand the logic of a Bill which seeks to ban alcohol at football grounds, but not in areas from which one cannot see the pitch.

Without getting into the broad area of principle, I shall put some practical considerations. Does the whole pitch have to be excluded from vision from the area where it will be permissible to serve, possess and drink alcohol? What happens if one can see a bit of the pitch—say, the corner flag or the goal mouth at one end? I have been to many grounds where, from the bar, the view of the pitch is almost entirely excluded, but a bit of it can be seen. I

suppose that the Government intend the provision to mean that the totality of the pitch should not be visible. It is important to make that clear.

1 am

Enforcement is the problem. If one goes round the back of the stand, one will be able to buy drink in areas where the magistrates courts have agreed that an exemption should apply. A number of young fans will be apt to obtain liquor, get themselves charged up and then, when excited by the drink that they have obtained from the bar at the back of the stand from which they cannot see the pitch, indulge in exactly the kind of behaviour that has caused the problem. I cannot understand why the Government have taken the view that people should be able to continue to buy, drink and possess liquor, provided they do that out of sight of the ground, but not be able to do so within sight of the pitch.

Mr. Ewing: The hon. Gentleman is missing the point. Should a person get drink from behind the stand and then indulge in violent behaviour, that would be one sure way of guaranteeing that an exemption would not be granted again.

Sir Eldon Griffiths: I appreciate that, and I take it that in the first instance the magistrates will not lightly grant an exemption if they have reason to believe that it will be abused. I have confidence in the good sense of magistrates. Nevertheless, exemptions will be granted and there will be occasions when young people going round the back of stands will be able to obtain liquor and, however much the hon. Gentleman may hope otherwise, as I do, there will be occasions when that will spark off the violence with which we are seeking to deal.

The hon. Gentleman goes on to say that, if that happens, the club will not get a licence a second time. We want to deal with the problem now, not say that there will be another means of dealing with it should it recur. The Bill should be clear and say, "There shall not be alcohol at sports grounds, no matter where it is served." That would be logical, comprehensible and enforceable. I question the enforceability of a measure which says, "You can go round the back of the stand and get drink, but if you come in front of the stand, you are in trouble." I do not see how the police will be able to operate such a provision. The amendment would simplify matters by avoiding a distinction between those areas from which one cannot see the pitch and where one can get drink and those areas from which one can see the pitch and where one cannot get drink.

Mr. Pendry: As the hon. Member for Broxtowe (Mr. Lester) permitted me to deal with the last amendment and himself refrained from commenting, on this occasion I shall remain silent and allow him make the running.

Mr. Lester: My hon. Friend the Member for Bury St. Edmunds (Sir E. Griffiths) should accept that those who have been going to football matches for the last 20 years recognise that the Home Secretary has allowed the vast majority of clubs that have been operating in a perfectly civilised manner to continue to do so.

Because it is not sensible to have a public bar, as there is not enough trade at the interval, most clubs do not have a public bar. They have supporters' clubs, which are important to the future of football. It is an important element of football that after the match, people go to the supporters' club, meet the players, talk together and feel part of the team. Equally, we have members' bars where people who support the club financially have a bar which is away from the sight of the game. These bars are useful, before and after the game, and such a bar can get an exemption.

I agree that there is the anomaly of whether one can see the game. The problem of introducing this new concept based on the Scottish Act is that, since the law was passed in Scotland, sponsored boxes with a sight of the game have been created in an effort to develop football in the United Kingdom. They do not exist in Scotland. This is a new feature to help football raise its standards and income and to find money for improvements, which we all support. Therefore, I support amendment No. 23.

My objection is that the law as it stands does not recognise this change. There is no significant difference in terms of equity. At the vast majority of clubs, as I have said, the punter cannot get a drink in the public bar because public bars are not available, but people in private boxes can have a drink. The anomaly will arise because this change in the law will be unenforceable.

It seems funny that, if the right hon. Member for Manchester, Gorton (Mr. Kaufman) and I were watching the same match, under the existing law, as I understand what the Home Secretary said on Second reading, if I drank a dry ginger out of a soft container I could sit at the front of the box and watch the match, but if he drank whisky he would have to go and stand behind the screen. I do not envisage that that will create any problem for the punter looking up at the box because, if I have a glass in my hand, he will not know whether it is dry ginger or whisky. It is unenforceable unless the police come and smell what I am drinking and say, if it has spirit in it, that I am guilty of an offence but, if it has not, that I am not guilty of an offence.

The amendment appears not to recognise that the English situation is different from the Scottish. It does not require the contribution to football and the raising of standards that the executive or sponsored boxes have created or that this is a class matter. Most of the boxes of which I know are taken by local industrialists in an effort to support their club. The boxes are available to the members of their firms, and not only to the directors but the trade unionists. They use them on the same basis that one sits in one's private house.

Mr. Tony Banks: The Bill does not threaten the existence of executive boxes. The hon. Gentleman is saying that, unless drink can be served in executive boxes, people will not pay what are very large sums to use them. I think that does not necessarily follow. the amount of money that clubs derive from the sale of alcohol in the grounds is relatively small. The money is derived from the rent paid for executive boxes.

Mr. Lester: It is not reasonable to expect people who come to a box as guests to be told that they are all right as long as they drink lemonade. One says that there is a refrigerator which has a range of drinks.

Reference has been made to boxes which seek to serve meals. It is anomalous and unnecessary to say that if I go to a cricket match I can have a meal, watch the cricket and drink wine with it, but that if I go to a football match, if I want to drink wine I have to stand behind a screen. We are trying to stop the influence of alcohol on people who

[Mr. Lester]

cause offence in football grounds. I know of no case in which a person has got blind drunk in an executive box and gone downstairs and thumped somebody. This is overkill to a degree that will make the law appear ridiculous. If we do this, we will defeat the object of all hon. Members, which is to clean up football, make it a decent family game and stop the influence of alcohol outside the ground—everybody knows that this is what really causes the problem — with the resultant damage and problems which we are now debating.

Sir Eldon Griffiths: Will the hon. Gentleman, with his experience, help me? As I understand it, the Goverment are insisting that drink in the executive boxes should be out of sight of the rest of the spectators because there would be fury and discontent if many people who were denied the opportunity to have a drink could see others sitting in boxes having a drink. The Government have accepted that, and it is the gravamen of making it out of sight of the pitch. What it really means is out of sight to the spectators—that is to acknowledge that there is an inequity.

If the law were to say—as my hon. Friend wishes—that it is right for the executive box to have the liquor, and then a group of people feeling angry about that literally make siege of the box demanding the liquor, what would the police do? Would they defend the privilege of the executive box with its liquor against those demanding to have it?

Mr. Lester: It is not an offence to sit at the front of the box and drink dry ginger. If someone was sitting with a glass in his hand, I would not know what was in the glass. It is not the act of sitting in the front of the box and drinking that is the offence, it is what is in the glass. No one knows unless the police smell every glass that they can see. It is not an offence to have a soft drink in the glass.

Sir Eldon Griffiths: It is an offence if it is visible.

Mr. Lester: No, it is not an offence to be drinking a soft drink. I think that my hon. Friend the Minister will confirm that. That is why it is an anomaly. The existing position has never caused a problem. I have never seen any problem at any match that I have attended where those on the terraces have objected to what they might or might not see in the sponsored boxes. It is an anomaly that needs to be rectified.

Mr. Ewing: I want to comment on the points made by the hon. Member for Bury St. Edmunds (Sir E. Griffiths). It is right to put on record that when this provision was introduced in the Scottish legislation—I shall not bore hon. Members with the Scottish experience—it was to take account of the fairly large number of clubs in Scotland which have social clubs, perhaps not inside the grounds but in parts of car parks that they no longer require.

On Second Reading the Minister made an interesting remark when he said that Berwick Rangers would be covered by this legislation and not by the Scottish legislation. Berwick Rangers is located in England but plays in the Scottish league. It has one of the finest social clubs that I have seen throughout the length and breadth of the country. It is excellently run. However, it is hard up against the grandstand. There is no way that anyone in the club can see the play. If the amendment were accepted, because the club is adjacent to the ground, anyone could be guilty of an offence, even if he was leaving the club to go home. That person might not want to go into the ground. I beg hon. Members not to underestimate the number of times that a man comes out of a social club and, instead of going to the football match, goes straight home. That is the purpose of the provision, and it is useful.

East Fife football club built new dressing rooms and converted the old dressing rooms—which are only an arm's length away from the touchline—into a social club. The whole of the side facing the playing fields was built up so that no one could see the ground. Again, because it is adjacent to the ground, anyone coming out of the club with a container or with alcohol would be guilty of an offence.

The provision in the Bill is valuable. Whatever the Government do about the executive boxes—I concede to my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry) that we have not had to wrestle with that problem in Scotland—I wish them well, but I beg them to keep in the Bill the provision relating to social clubs, which are often built on ground not needed by clubs but put to good use.

1.15 am

Mr. Giles Shaw: The amendment moved by my hon. Friend the Member for Bury St. Edmunds (Sir E. Griffiths) would have a major effect on the Bill, by creating a virtual ban at designated grounds during designated events. I can see the simplicity that he has in mind, and on Second Reading he made that case forcefully. However, it is necessary to have the arrangement as in the Bill.

The hon. Member for Falkirk, East (Mr. Ewing) spoke in favour of the provision, and I am of the opinion that it is necessary to retain it. Although it appears to be cumbersome, it is useful to have this provision. We are in the business of seeking to reduce the incidence of disorder. A total ban would be entirely appropriate. If there were wide availability, and disorder, it would not be easy to obtain an exemption the next time round.

I refer now to amendments Nos. 23 and 13, in the names of my hon. Friend the Member for Broxtowe (Mr. Lester) and the hon. Member for Stalybridge and Hyde (Mr. Pendry). I made oblique reference to the matter before, and it relates particularly to private sponsored boxes. Hon. Members on both sides of the Committee are aware of the substantial nature of the business that they generate. I said previously that it was of concern to the Government that action would be taken which might ultimately be to the detriment of the game itself. The argument put forward by the hon. Gentleman and by my hon. Friend is that, through the generation of income from those facilities, major amounts of money are being recycled to the benefit of the game. However, at the initiation of the discussion I made it clear that we started from the premise of the game being in such disorder and disrepute, because of the ghastly events that have taken place, that a rehabilitation process is what we are seeking to achieve. This measure is one contribution.

My hon. Friend's point is important. Estimates have been made by the Football League that the £4 million of revenue is significantly at risk—possibly as much as 75 per cent. of it. That has to be recognised as a substantial guess. The exemption procedure is the big difference between this measure and the Criminal Justice (Scotland) Act 1980. We do not know how effective it will be in allowing some consumption, and sponsorship and

commercial interest in still supporting the game, although not in the same character as hitherto. I have no great knowledge of the game, but my view is that, where clubs are faced with such a difficulty, it is remarkable how flexible they can be if they believe that significant amounts of money are at risk.

I have already got into some hot water with my hon. Friends in saying that there are ways in which it would be possible to allow facilities for drinking in sponsored boxes provided that they were out of sight of the pitch. That is the crucial distinction, which also applies under an exemption order to bars in other parts of the ground serving the terraces and so on. That is an important possibility, although I recognise that in many clubs the layout or size of the boxes may make partition difficult.

It may mean, for example, that some boxes at the Tottenham ground will have to be closed for bar purposes, whereas other boxes will be used for viewing purposes. I use this to illustrate the fact that I do not think it is unreasonable for the Government to say that the scale of the threat to the ability of clubs to generate sponsorship is not known, although it has been suggested that it is considerable.

It is right that we should look closely at the performance of this aspect of clubs' activities during the coming season. If it is the case that there is a major fall in the sponsorship income, to the detriment of the game, as has been suggested, it would be possible for my right hon. and learned Friend the Home Secretary to consider, in the vehicle of the public order legislation, whether an amendment might be carried which would have a beneficial effect on the problem.

It would not be reasonable for us to accept the argument now, when we do not know what the consequence will be. We shall not be able to carry out the provisions of the amendment, unless through an agreed procedure with those who have been generous with their consultation on the Bill. I could not unilaterally agree to the amendment on behalf of the Government.

Therefore, it is better that I say to my hon. Friend the Member for Broxtowe and to the hon. Member for Stalybridge and Hyde that we take note of the real problem that could appear if the worst fears of the league are shown to be correct, and the best way to do that is on the basis of hard evidence. It would be possible to make amendments through legislation at another time, if it could be shown that that was required.

Mr. Pendry: The hon. Gentleman said that he would want to monitor the situation. What time does he need to come to an interim judgment, if not a final one?

Mr. Shaw: We are on the verge of the new football season, from the middle of August. It would be sensible if we saw the Bill in action over the most part of this coming season, or at least half of it. I understand that the season lasts for some 10 months. That might allow us, if we were so minded, and after discussion with those who are party to the decisions, to introduce amendments through other legislation. However, I cannot guarantee what the results of that monitoring will be. The hon. Gentleman can take it from me that we shall monitor this because we recognise that if football were to be starved of funds for its improvement and rehabilitation, that would be a worry.

Mr. Lester: I was trying to make a serious point about the enforceability of the law. If it will not be illegal for people to sit at the front of a box and watch a football match and drink a soft drink, but it will be illegal for somebody to sit in the same position and drink a soft drink with whisky or gin in it, the principle of equity will be violated, leading to annoyance. It will be an anomaly if this law cannot be enforced. I hate law that is not enforcible. This is a salient and important point with which we have to deal tonight, otherwise we shall pass the law and have the problem.

Mr. Shaw: We are dealing with legislation the purpose of which is to restrict the sale and provision of alcohol at football grounds. I understand that non-alcoholic beverages will be freely available. I am concerned to ensure that the provision is passed in its present form, as it is likely to have a significant effect. If we start to widen exemptions to take account of the timing of a sporting event, the availability of alcohol will be increased in a crucial manner. In principle, that does not commend itself to me.

Mr. Pendry: I should like to know what the Minister of State is monitoring. I concede that he has introduced the first glimmer of a concession, but what will he be monitoring? There is no history of the problem.

Mr. Shaw: I trust that the hon. Gentleman will recall that the right hon. Member for Birmingham, Small Heath (Mr. Howell) expressed great concern over the fact that the revenue from boxes was of a magnitude unknown to him when he was involved in previous discussions. The figure of £4 million was unknown to me until recently. The threat of the reduction of revenue has been posed relatively recently, and it should be capable of being monitored during the next season.

Mr. Denis Howell: The Minister of State has made an acceptable response that goes far to achieving what we want. The monitoring exercise will ascertain the possible loss of revenue for the clubs.

It must be recognised that the leases of the boxes will not come to an end at one particular moment. Some leases will expire at the end of the coming season, some in August, some in 12 months' time and others in two years. Although the Minister has not accepted the laudable and intelligent approach of amendment No. 22, he is prepared to reconsider his position if the financial effects on the clubs so demand. I acknowledge that what he or his right hon. and learned Friend the Home Secretary does will be the result of consultation with all those who are involved. It is important that we reach agreement while understanding the real problems. If it is possible to review events as they develop, when we consider the next measure that the Government intend to introduce on this issue—we hope that it will be placed before us later in the year—a considerable improvement will have been made to the Government's initial approach.

Mr. Pendry: Surely there cannot be a short period of monitoring. Many firms have already paid their money to a club for one, two or three seasons. There will be no real reduction in revenue in a short period. On reflection, the Government's monitoring exercise will be meaningless.

Mr. Howell: I have some sympathy with my hon. Friend's view, in the sense that only a few boxes will be up for negotiation now. There will be more in 12 months'

[Mr. Howell]

time and yet more in two years. However, the Government have moved slightly from their original position towards the approach that I advocate, and I welcome their response in that sense. It is important not to leave things where they are.

Mr. Hicks: Does the right hon. Gentleman accept that although monitoring applies to an existing situation, it does not apply when clubs are thinking about making new investment in executive boxes?

1.30 am

Mr. Howell: Yes, but I have less sympathy with that view because any club wanting to build a new box would comply with the new legislation. A club would build a fixed partition. I accept that anomalies exist, but we are trying to make a law work. Any club considering building a new box would be plain daft not to include a division so that wining and dining could take place in the back and viewing in the front.

Amendment No. 23 puts us in considerable difficulty. It distinguishes between different categories of people drinking at a football ground which I would find unacceptable.

Mr. Stephen Dorrell (Loughborough): That is what we have now.

Mr. Howell: I know; but this is the reason for discussions and why the Government have tried to meet our objections. The Government recognise the need for equity in the arrangements at football grounds. Under amendment No. 23 people could drink in private boxes in view of the pitch, but not drink at a bar on the terrace in view of the pitch if they want a half pint with their pie. That is offensive to the principle of equity, and it might even be provocative. I do not argue with the Government's attitude to the amendment.

Mr. Pendry: It is amusing that my right hon. Friend should try to make out a logical case for the Bill. At grounds not far from here the man on the terrace can buy a drink at a bar round the corner from the pitch, whereas those who are trying to ensure that entrance fees are kept low by paying their share of £600,000 to keep a club in being cannot.

We are trying to ensure that football survives under this terrible Bill. I am surprised that we do not carry my right hon. Friend with us. In order to survive, clubs need the revenue to regenerate the game. There is no equity in the Bill. We are trying to ensure that money stays in the game so that clubs are able to make the many necessary improvements.

Mr. Lester: Hon. Members are trying to introduce equity where it does not exist. What about the man who consumes soft drinks at the front of the box and the provocation that might cause?

Mr. Howell: If the Bill is passed in its present form and someone has a soft drink at the front of the box, everyone will know that it is a soft drink because it could not be anything else. I do not think there is anything in that point.

Equity is extremely important. I am sorry that this difference has arisen, because I accept that the Government have sought to meet us on this matter. But in seeking equity as between the arrangements in private boxes or directors' boxes and in the public bars on the terraces the Government have adopted an approach which puts in jeopardy a considerable amount of money. I wish to achieve equity in a different way, on a time basis, but it would be tedious to go over that again now. If people can drink in a box from which they can see the pitch but not in a bar from which they can see the pitch, that will be offensive to many people and may well be harmful. To their credit, the Government are trying to avoid that.

If we cannot carry the Government with us on the time argument at this stage, I believe that we should accept their offer to look at the matter again, to monitor it constantly and to come back to it when the new Bill is introduced. That is better than the position from which we started. It seems to be as far as we can take the Government at this stage, I recommend that we accept that. In any case, if my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry) wished to press the matter to a Division, it would have been better to do so on amendment No. 22, albeit against the advice of the Opposition Front Bench, rather than on amendment No. 23. I advise my hon. Friends to accept the offer that is on the table, because it is the best that we are likely to get at this stage.

Sir Eldon Griffiths: This will be my last contribution on the Bill. As one who had a measure of responsibility for sport for about four and a half years, I find it immensely depressing to hear the proposition advanced that the future of our national game depends almost entirely on directors being able to drink in private boxes and that if they cannot do so all the great industries which have sponsored our national game — because, I had always assumed, they regard it as helpful to their advertising and sales—will withdraw their sponsorship and the game will collapse. I do not believe that the entire future of our national game turns on the revenue from drinks in the director's box. Despite all its problems, football is far more robust and resilient than that.

For the past hour or so we have heard about the problems of a few hundred or perhaps a few thousand directors and their pals—*[Interruption.]* The people who inhabit the directors' boxes——

Mr. Pendry *rose*——

Sir Eldon Griffiths: I shall not give way, as I want this to be my last contribution, but I shall allow any amendment to my choice of phrase that any hon. Member requires. My point is that we are dealing with the creature comforts of a comparatively small number of the football population. I am more concerned about the hundreds of thousands of fans on the terraces. It is their interests which should be occupying the House, not just the interests of a few hundred perhaps more important and influential and certainly better off people. The interests of the few should not be our principal concern.

What are we talking about? During the past hour we appear to have been talking about the problems that will be created for football if, for one reason or another, private boxes are unable to earn as much money in the future as they have been able to earn in the past, and as much as they hope to earn if there are more of them. I thought that the Bill was about something else—about tens of thousands of people having been knocked about and terrified on football terraces, the police having been bombarded with missiles, large numbers of people having been severely injured and the reputation of our country having been

severely damaged because drunken fans have behaved in a fashion that is the opposite of sportsmanship. However, the amendments appear to suggest that the real problem is that we are not dealing with directors' boxes in a proper way.

The amendment relates to a small, self-indulgent minority——

Mr. Lester: No.

Sir Eldon Griffiths: Yes, I used that phrase intentionally. During the past few years they have failed to put football's house in order. The main purpose of the Bill is to protect the law-abiding majority of people who want to go to football matches with their families and not be set upon by drunken hooligans. I hope that the Government will make short shrift of the amendment and stick to the main issue, which is limiting the availability of alcohol at football grounds so that violence and national shame are not inflicted upon this country.

My right hon. and learned Friend the Home Secretary is here at a very late hour. I do not understand the division of the prohibition on alcohol between that which can be obtained out of sight of the ground and that which can be obtained in sight of the ground. The latter is to be prohibited, the former is not. Equally, I do understand the arrangement whereby if the directors' box is facing away from the pitch one can drink, but if it is facing towards the pitch one cannot drink. That is inequitable and unintelligible to the ordinary football fan, and it will be unenforceable.

My right hon. and learned Friend has promised that there will be an exercise to monitor whether private boxes suffer a reduction in revenue. I should like him to offer another semi-pledge to the Committee — that he will monitor the working of the Bill in the other direction and demonstrate that he is even handed. I hope that he will assure us that he will come back to Parliament and seek to amend this legislation if, as a result of booze still being freely available, albeit out of sight, at football grounds there is yet more rioting and violence and people are knocked about. There is as much danger of the legislation going wrong in that direction as there is of its going wrong in the other direction—the directors' box.

Amendment negatived.

Clause 2 ordered to stand part of the Bill.

Clauses 3 to 7 ordered to stand part of the Bill.

Clause 8

PENALTIES FOR OFFENCES

Mr. Chope: I beg to move amendment No. 35, in page 7, line 6, at end add—

'*(d)* in the case of any offence, in addition to any other penalty, to be served with a prohibition order which shall prohibit that person for the duration of the period specified in that order from entering or attempting to enter a designated sports ground at any time during the period of a designated sporting event.'.

The Chairman: With this it will be convenient to take new clause 3—*Failure to comply with prohibition order*—

'A person who fails to comply with a prohibition order under section 8, is guilty of an offence and shall be liable on summary conviction to a fine not exceeding level 4 on the standard scale.'.

Mr. Chope: My amendment and new clause introduce new and relevant penalties. Paragraph 4d of the resolution of the Council of Europe of 1984 recommended that member Governments should ensure, in so far as it is legally possible, the exclusion of known trouble-makers from soccer grounds. The courts have no power to impose a general ban on hooligans. The best that they can do is to send people to an attendance centre or grant them bail on condition they they do not attend a football match. The same can also be made a condition of a probation order.

1.45 am

The idea that courts should be able to ban people from attending matches has been given to me by the chairman of Pompey football club—John Deacon. He says that he gets letters from people whom he has banned from the Pompey ground saying that they find it more of a penalty not to be able to watch Pompey again than to be in prison. I realise that many Saints supporters would say that it would be much worse for them to have to watch Pompey than to go to prison. The fact remains that many of the hooligans who get involved in trouble at football matches feel lost when they are unable to go to matches.

I accept that it would not be easy, in the absence of a membership card system, to decide whether someone had been banned, but if he appeared before the courts again and it was discovered that there was already a banning order against him, the penalty would be severe indeed. My new clause specifies a penalty for that offence.

A further benefit of such a penalty is that it can be imposed on the very young and it would protect people who visit soccer grounds. It is analogous to the protection that the courts give to road users by banning those who drink and drive from driving. Quite a lot of research has been done, and it shows that, in the past two years, about 1·5 million people did not attend soccer matches largely because of the threat from hooligans. The Government should pay attention to the need to exclude from grounds people who have caused trouble.

My proposals would not inconvenience good supporters. I have recently seen the Sperry system of membership cards. It is a lot more practical than many people have suggested. I am pleased that Chelsea will embark on it, at least partly, next season.

If a national membership card system were introduced, people fear that there would be a blacklisting system without any form of legal redress. The amendment and new clause are designed to ensure that that blacklisting system can be brought in as part of the due process of law. If there were a system of national membership cards, anybody who found himself banned from designated grounds under this provision would not be able to go to those grounds and that would be clear from the national membership records. It is a sore point. I hope the Government will consider my arguments sympathetically.

Mr. Giles Shaw: I should like to respond to my hon. Friend the Member for Southampton, Itchen (Mr. Chope) by saying that we will do just that, because he has brought the Committee back to the main purpose of the Bill, which is to try to eliminate the cancer of hooliganism from the terraces of football grounds. It is beneficial that we should be dealing with this issue now in the new clause rather than in the somewhat more complex matter of what goes on in sponsored boxes.

The Government have considerable sympathy with the argument behind the amendment—that those convicted of offences of football hooliganism or football violence should be banned from attending matches. If football is to be re-created as a sport which families and respectable spectators can attend in safety and without fear, it needs

[Mr. Giles Shaw]

to rid itself of the small minority of so-called supporters who engage in violence and hooliganism. That is the purpose behind the membership card system which the Government have urged the football authorities to adopt. The aim is to provide a practical means of excluding known trouble-makers.

Until a membership card system is introduced there would be considerable difficulties in enforcing a system of prohibition orders such as my hon. Friend has suggested. In the context of the current Bill, it would be anomalous to confer on the courts power to impose a prohibition order linked to offences under this Bill. It would, I think, be unacceptable if such orders could be made in respect of offences of drunkenness and possession of alcohol but not in respect of offences of violence and criminal damage committed at football matches. If we are to give the courts power to order persons not to attend football matches, we need to extend the many offences, other than those in the Bill, which may be committed at football grounds or in connection with football matches. My hon. Friend will understand that. We also need to have in place a means of ensuring that prohibition orders can be adequately enforced, so that the law is not brought into disrepute. That also underlines the need for the introduction of a membership card system.

I hope my hon. Friend will not press his amendment today. As I said, it would be anomalous to introduce prohibition orders in relation to the offences in this Bill alone which deals entirely with alcohol and alcohol-related offences. We do have sympathy with the general argument he has advanced. If the clubs will do their part by bringing in a membership card system, that would provide a basis on which prohibition orders could be enforced. I have already referred to the introduction of legislation next Session, following our review of the law relating to public order. That legislation would be a more appropriate vehicle than the current Bill for introducing any power of the kind my hon. Friend has in mind across the whole range of football offences, but the football authorities would have to play their part in making enforcement both possible and effective.

I am grateful to my hon. Friend for drawing the attention of the Committee to the importance that should be attached to ensuring that those who commit offences should no longer be able to enter football matches for the reasons I have stated. Because the Bill is narrow in relation to alcohol and alcohol-related offences and because it should also include other criminal offences and ordinary offences within the game, I believe it would be appropriate to look at this in another context and not in the context of this Bill.

Mr. Chope: In the light of what my hon. Friend the Minister has said, I beg to ask leave to withdraw the amendment.

Amendment, by leave withdrawn.

Clause 8 ordered to stand part of the Bill.

Clause 9

INTERPRETATION

Mr. Douglas Hogg: I beg to move amendment No. 38, in page 7, line 39, leave out subsection (6).

The Chairman: With this it will be convenient to discuss also amendment No. 39, in page 7, line 43, leave out 'and' and insert 'or'.

Mr. Hogg: The amendment seeks to exclude sporting events from the Bill. I have already put forward the arguments in favour. I know my hon. Friend's response. I am not seeking a further response.

Mr. Chope: I want to speak briefly to amendment No. 39. The notes on clauses say that clause 9 exempts amateur events from the Bill's provisions. Would that it did. That is the purpose of my amendment. Unfortunately, my reading of the Bill is that because there is an "and" rather than an "or", amateur events will not be excluded if there are no paying customers. The worst problems in football arise because of professionalism, not the sort of professionalism that is associated with the professions of medicine and the law, but professionalism in the context of the professional foul. It is appropriate that the Bill should be restricted to professional games played for money by people who are being remunerated, and that where games are played for charity purposes or by amateurs these provisions should not apply.

Mr. Giles Shaw: I am advised that in order to disapply the controls in the Bill from such events both the conditions in paragraphs *(a)* and *(b)* of clause 9(6) have to be met. The amendment to leave out "and" and insert "or" would weaken this, since only one of the conditions would then need to be met. This would considerably widen the scope of the exception, and that would not be desirable. If there is to be an exception it should be a narrow one, limited to an event in which all competitors are taking part otherwise than for reward and to which all spectators are admitted free of charge. That is why the clause has been drafted in this way, and I hope that on reflection my hon. Friend will accept it.

Mr. Chope: Will my hon. Friend confirm that although the notes on clauses say that clause 9 exempts amateur events from the Bill's provisions, it does not do so?

Mr. Giles Shaw: It does, if both those conditions are fulfilled.

Amendment negatived.

Clause 9 ordered to stand part of the Bill.

Clause 10

AMENDMENT OF CRIMINAL JUSTICE (SCOTLAND) ACT 1980

Question proposed, That the clause stand part of the Bill.

Mr. Donald Dewar (Glasgow, Garscadden): We now come to Scotland.

Mr. Giles Shaw: A change of team.

Mr. Dewar: There is indeed a change of team, but I hope that the hon. Gentleman will stay for just a moment, because some of the things I have to say may have some relevance to discussions that I understand will take place in the immediate future about the problems of cross-border traffic, if I may use a familiar phrase from other areas.

On this side of the Committee we have consistently supported the legislation in part V of the Criminal Justice

(Scotland) Act 1980 and we will not go back on that during the passage of this Bill. I do not think anyone in Scotland pretends that it has in some way revolutionised the position in Scotland or is a talisman that will ward off all possibility of football violence. That would be ridiculous. However, we believe that in a modest way it has been useful and effective. Of course, it was to some extent based on work done by the Scottish Office during the term of the Labour Government.

Clause 10 will make a significant change in the Scottish legislation as we know it. I put this delicately, but I am sure that the Minister will accept that already some confusion has been caused in Scotland about its exact impact. There was a great deal of speculation in the press this morning about what would happen as a result of the introduction of this clause into the Criminal Justice (Scotland) Act. Therefore, it is appropriate to invite the Minister to clarify some points. I suspect that I shall be satisfied by what he says. Indeed, I may be urging him to stand his ground against those who may wish to shift him, but I should at least like to get this on the record in *Hansard* so that we know exactly where we stand.

There is a slight atmosphere of make do and mend about this. We have had a good deal of experience in Scotland. If there had not been legislation proposed for England, we might not have been altering the Scottish legislation at this point. We would probably have been content to leave it on the basis of the judgments that were made back in 1980 when the original legislation went on to the statute book.

2 am

There are occasions when there is a difference of pace in developments north and south of the border and different solutions may be appropriate. We are now harmonising and, to an extent, bringing the two together as the English come on to the statute book, but we are not, of course, creating exactly the same situation north and south of the border, that is an important fact to grasp. The Minister may wish to comment on that.

My remit is to make one or two points and to get the hon. Gentleman's views upon them. I have been listening to the debate and I was delighted to notice that one of the people speaking was a Member with whom I am not particularly familiar, the hon. Member for Croydon, North-West (Mr. Malins). I was delighted to see in his little autobiography in the books of reference that one of his achievements is that he led "Running into Europe 1973", the longest-ever sponsored charity run to Brussels. I am not quite sure if that could be designated as a sporting event and exactly how it would be defined. I do not intend to invite to spend any time on that point.

The first change I want the Minister to look at is an important one. Clause 10*(a)* seeks to amend section 68(1) of the Scottish Act to make it clear that an order may apply to sporting events outside Great Britain. That is a situation in which, presumably, we are being invited to designate a specific sporting event. The Minister will remember that in the original legislation only sporting grounds were designated, so that is an extension right away of the Secretary of State's powers in Scotland. The concept of the event is being imported into the Scottish Bill for the first time.

I am not sure whether the hon. Member for Eastwood (Mr. Stewart) was on the original Standing Committee in 1980, but I certainly was, and I remember the then Minister, the hon. Member for Edinburgh, Pentlands (Mr. Rifkind) going to great lengths to explain why it would not be appropriate to have designated an English ground—on the basis, obviously, that one could not extend the Secretary of State's remit south of the border. This created the anomaly that a bus coming from England bringing Celtic supporters from, for the sake of argument, Bradford, was immediately covered by the terms of part V of the Act when it crossed the border, but Celtic supporters going to the second leg somewhere in England could not be covered while they were driving in Scotland. That anomaly has now been ended.

If there is designation in Scotland, obviously that is simple enough because the journey to the ground is covered. If there is designation in England, then presumably a bus setting out from Scotland would be automatically covered for its entire journey even though part of it was in Scotland. Presumably if the Secretary of State designated a sporting event furth of the United Kingdom and the journey was started in Scotland, crossed the border and moved to England to, say, a channel port, the legislation would cover that form of transport throughout its passage in the United Kingdom. In other words, it would not just be a matter of travelling to the Scottish border, it would be to the port of exit in England. I hope that is the situation as I understand it, but perhaps it is as well to get that clear.

The second amendment or change that appears in clause 10 which I want to dwell on for just a moment, and it may be that one or two of my colleagues may wish to mention it, is the slightly more controversial matter of the extension to rail travel which results from this new clause. Under section 69 of the 1980 Act, the Government are simply and straightforwardly adding to the public service vehicle the concept of railway and passenger vehicle. Can the Minister say a word or two about that? It is probably the same as in England, but it is just as well to get it on the record for Scotland, as to what trains will be covered by this.

Obviously, section 69 of the 1980 Act deals with a train operated for the principal purpose of conveying passengers to or from a designated sporting event. It is obvious that the football specials run by British Rail are covered, if they are run; it has been the practice recently not to run them. But especially in circumstances where they are not run, if an ordinary service train is dominated by football supporters in its passenger load, would it be covered by section 69, as one with

"the principal purpose of conveying passengers to or from a designated sporting event"?

If it would not, we should at least understand that, and I hope that the Minister will clear away that doubt.

I also notice that we have imported into section 69 the phrase

"for the whole or part of a journey."

Again, I hope that the Minister will explain the significance of that, because it does not appear in the original legislation. The Minister looks a little puzzled. He will see that we are inserting in section 69, as well as "railway passenger vehicle", the words

"for the whole or part of a journey."

Presumably those words are inserted for a purpose. They are changing the present position in Scotland, and I am not clear about their significance. Presumably it was thought necessary for clarification or it is a substantive change which applies not only to trains but to public service

[Mr. Dewar]

vehicles as well. As some draftsman has taken the trouble to insert the phrase, perhaps the Minister will explain its importance.

Another important point arises which is perhaps the centre of the debate. It is what happens to the staff on a train. There was speculation in the press, which I believe was founded on a misunderstanding, that the staff of a train — the guard and the driver — would be in the same position as, say, the conductor or driver of a public service vehicle in that they would be covered by the offence defined in section 70 of the 1980 Act. Hon. Members will remember that that says that if an employee or agent

"permits alcohol to be carried on the vehicle, the operator and, as the case may be, the employee or agent shall be guilty of an offence and liable on summary conviction to a fine not exceeding £200."

During discussions on the 1980 Bill, there was a great deal of controversy about whether that was a reasonable duty to place upon the driver of a coach. In the event, it was decided that it was and there was a great deal of speculation that the same offence was being created for the staff of a train that might be carrying passengers principally to a designated sporting event or ground.

On reading the amendments and fitting them into the 1980 Act, it becomes clear that that is not the intention. As I understand it, the offence which applies to the staff of a public service vehicle under section 70 will not apply to the staff on a train which is covered by the newly amended section 69. If my interpretation is correct, I think that the Government have made a wise decision. There are great difficulties for the staff of a train which become apparent on thinking about their position.

I remind hon. Members of the debates in the Scottish Standing Committee which considered the Criminal Justice Bill on 19 June 1980. The then Under-Secretary of State for Scotland said about bus drivers:

"I should have thought that there was a difference between what would be likely to be the obligation of a driver at the beginning of a journey if he knew that alcohol was on the coach —when there would be a greater likelihood that he would be expected not to begin the journey until the alcohol had been removed — compared with the situation where during the course of the journey, it might become apparent that alcohol was being carried." — [*Official Report, First Scottish Standing Committee*, 19 June 1980; c. 1432-3.]

It is presumably easy for a bus driver to see what is being loaded on to his bus. In the age of open stations, a cohtroversial matter within the railway industry — in Scotland open stations are almost universally used now —it is extremely difficult for the staff to monitor what goes on to a train. It is unreasonable to hold the driver, for example, per se responsible for what may be happening eight coaches behind him, when there is no barrier and there are a multiplicity of entrances and approaches to a passenger train. We can easily envise the problems of a guard who finds alcohol on a train which is moving rapidly through the countryside.

There are good and substantial reasons why the Scottish Office has decided that an offence similar to that outlined in section 70 should not apply to British Rail staff on one of these trains.

I realise that there will be substantial problems, in that a train often runs over the border. We then face the ludicrous anomalies and difficulties caused by the different approach of Home Office Ministers. I understand that that was freely recognised, thanks to an effective intervention by my hon. Friend the Member for Falkirk, East (Mr. Ewing) earlier today. We received some sort of assurance that the matter would be considered in the interim — presumably, before the Bill goes to another place.

I shall curtail my remarks — *[Interruption.]* We are being patient, and the Irish are having to be even more patient.

Mr. J. Enoch Powell (South Down): There are no Irish present.

Mr. Dewar: I do not wish to get into a semantic argument with the right hon. Gentleman.

I hope that the Government will note that in Scotland it is firmly believed that if the anomaly is to be overcome, it should not be by adopting the English approach. What is right for England is for the Home Office, its advisers and hon. Members with an interest in it. But it would be completely unsatisfactory to apply an offence similar to section 70 in Scotland to the staff of a train in the circumstances that I described. The English position is obviously different. They do not even have the statutory defence that appears in section 71 of the 1980 Act, under which the accused can establish that

"the alcohol was carried on the vehicle without his consent or connivance and that he did all he reasonably could to prevent such carriage."

It would be unfortunate to import the English solution into Scotland in the interests of harmonisation. There is a strong case for consistency, but I urge that it should be achieved by a reconsideration of what has been suggested south of the border. If that is not possible, I hope that the Scottish Office will stand its ground.

I do not know whether the railway unions have been consulted on this matter. I have talked to Mr. Andrew Barr and NUR people in Scotland, who have not been consulted.

Perhaps that was not thought necessary because we in Scotland were not moving to a situation in which this penalty was being imposed on the staff. I hope that if the Minister is thinking of any move in the direction that the English have followed, consultation with the unions and other interested bodies, even in the short time that is available, will be considered essential.

On this occasion I pay the Minister an unusual compliment. He has had the better of the argument and I hope that he will stand his ground and make sure that we do not get carried away with an enthusiasm for harmonisation that might lead us to the wrong result.

Mr. Ewing: The Minister undertook on Second Reading that this whole issue would be reconsidered between now and the Bill going to another place. Either clause 1 or clause 10 will have to be amended, or the measure will be inoperable.

I join my hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar) in urging Scottish Office Ministers to stand firm and to persuade the Home Secretary to amend clause 1 to bring it into line with clause 10. The Home Secretary should not entertain the thought of trying to persuade the Secretary of State for Scotland to amend clause 10 to bring it into line with clause 1.

I am glad that the Home Secretary is in his place, even at this late hour, although perhaps I should call it this early hour. When I was with the Post Office I never knew whether I was on the night shift or the early day shift, and I feel much the same about tonight's deliberations.

A train travelling from England into Scotland would be covered by the English legislation until it reached the bridge at Berwick-upon-Tweed. Once it was over the border and into Scotland, it would be covered by the Scottish legislation. Having begun its journey in England, staff operating what is described in clause 1 as "the vehicle" — although it is a train — would be held responsible if alcohol was on the train. As my hon. Friend the Member for Garscadden pointed out, they would not even have the statutory defence contained in section 70 of the Criminal Justice (Scotland) Act 1980. If, however, the train started its journey in Scotland, it would be a different proposition. Once it crossed the border into England, it would be covered by the English legislation. The position is intolerable.

It is wrong to try to impose on the staff of British Rail trains conditions that have been imposed successfully on coach drivers in Scotland. It is easier for the police to stop a coach going to a match in Scotland and search it to see if there is alcohol aboard, then to charge the driver, who, under section 70, can plead that he did not know that alcohol was on the coach, leaving it to the court to decide whether he did or did not know. If he is found guilty, in all probability he will lose his public service vehicle licence, and the owner of the coach will no doubt be reported to the traffic commissioners, who might remove his operating licence. It is relatively easy to impose that sanction.

It is wrong to impose the same principle on a train driver, who cannot be expected to know what is going on a dozen or 15 coaches behind him; or on a guard, who cannot be expected to know what is going on a dozen or 15 coaches ahead of him; or on a ticket inspector, who cannot be expected to know what is going on in all the coaches. I share the view of my hon. Friend the Member for Garscadden that in this case the Home Office has it wrong and the Scottish Office has it absolutely right.

I support my hon. Friend in urging the Scottish Office to use all its powers to persuade Home Office Ministers that clause 1 should be amended. I am in favour of consistency. I am mindful also of a problem that prevails in England but not in Scotland. We have no grounds in Scotland in which there is direct access from train to ground, whereas in England a number of grounds, including Old Trafford in Manchester, have such access.

While I accept that that is a problem, I do not accept that clause 1 is the way to deal with it. I accept that clause 10 should stand part of the Bill. If the Committee agrees, I hope that the undertaking so generously given by the Minister of State on Second Reading means that clause 1 will be amended. I urge the Minister of State to stand firm on this matter. I must tell the Under-Secretary, the Home Secretary and the Minister of State that Scottish Members will resist any attempt to import the conditions of clause 1 into clause 10.

The Parliamentary Under-Secretary of State for Scotland (Mr. Allan Stewart): I am grateful to the hon. Member for Glasgow, Garscadden (Mr. Dewar) for his comments on part V of the Criminal Justice (Scotland) Act 1980 which reinforced what the hon. Member for Falkirk, East (Mr. Ewing) said on Second Reading. We all accept that part 5 has had wholly bi-partisan support in Scotland.

I deal first with the principal point of the hon. Members for Garscadden and for Falkirk, East—the relationship between clause 1 and clause 10. I am in a somewhat unusual situation. It is not every day that I listen to hon. Gentlemen telling the Committee that the Scottish Office has got things right.

As my hon. Friend the Minister of State told the Committee, the Government accept that there is an awkwardness about the relationship between clause 1 and clause 10 on the question of cross-border traffic. My right hon. and learned Friend the Home Secretary, my right hon. Friend the Secretary of State, my hon. Friend the Minister of State and I will, of course, be discussing the position. As the Committee will appreciate, they have been present during the debate. We will all take full account of the points that have been made by the hon. Members for Garscadden and for Falkirk, East.

I confirm to the hon. Member for Garscadden that his exposition of the position of the staff under the Bill as it stands is correct.

The hon. Gentleman asked about the trains to which the provisions would apply. The Bill will apply to football specials but not to normal scheduled services, which come under the railway byelaws. The hon. Gentleman asked also about the position of coaches going to matches in England and to designated events abroad. Under clause 10, the Secretary of State can designate events abroad which, as the hon. Gentleman rightly pointed out, is new. Clause 1 makes it an offence to carry alcohol on a coach going to a designated event. Designated includes designated under part V of the 1980 Act, as the hon. Gentleman will observe if he refers to clause 9(3)*(b)*. If a coach is going to a designated event abroad, it comes under the 1980 Act to the border, and under the provisions of the Bill for its journey through England and Wales.

On the specific question of the hon. Member for Garscadden, the words

"for the whole or part of a journey"

are intended to cope precisely with the situation of events designated outside Great Britain in order to be able to deal with that part of the journey within Great Britain.

With that explanation, I hope that hon. Members are content. I commend clause 10 to the Committee.

Question put and agreed to.

Clause 10 ordered to stand part of the Bill.

Clause 11 ordered to stand part of the Bill.

Schedule agreed to.

Bill reported, without amendment.

Bill read the Third time, and passed.

Local Government (Northern Ireland)

2.25 am

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Chris Patten): I beg to move,

That the draft Local Government (Miscellaneous Provisions) (Northern Ireland) Order 1985, which was laid before this House on 20th June, be approved.

This order, as its title suggests, is a miscellany of provisions affecting the functions of the 26 district councils in the Province. It began life in embryonic shape with about four articles, since when, like Topsy, it has grown and grown.

Many of the provisions in the order stem from proposals put forward by right hon. and hon. Members and by local elected representatives. For example, the wider powers to strengthen the ability of councils to secure adequate safety standards in places of entertainment are based on proposals formulated by a joint departmental-local government working group. The sex shop controls were promoted by a number of hon. Members, including the hon. Member for Belfast, South (Rev. Martin Smyth), and also by district councils and community and church groups.

The published proposal for a draft order has been amended to include some additional provisions proposed by the district councils, the Northern Ireland Assembly and other interested parties. In view of the wide range of subjects covered by the order, it may be helpful if I now summarise briefly the main provisions.

Part II of the order deals with councils' powers to license places of entertainment and sex establishments. Schedule 1 contains the detailed arrangements for entertainment licences. At present a licence is required for public music, singing, dancing and boxing, but under the extended powers in the order a licence will also be needed for entertainment in private clubs, poolrooms, theatres, indoor circuses, amusement arcades with non-gaming machines and pop festivals. On the recommendation of the Assembly, snooker and darts tournaments have also been added and provision has been made to allow the Department to prescribe other sports in future. Copies of applications will be served on the police and the fire authority and councils will have a duty to take account of any recommendations those bodies may make.

The procedures for licensing sex shops in schedule 2 parallel the corresponding legislation in Great Britain. Councils will be able to refuse a licence on the ground that the appropriate number of sex establishments for a locality has been decided by the council to be nil.

Part III will give councils power to serve closing orders to prevent local residents being disturbed by take-away food shops and restaurants trading between midnight and 5 o'clock in the morning. I know that that provision was of particular concern to the hon. Member for Upper Bann (Mr. McCusker), who corresponded with me about it on a number of occasions. Businesses in non-residential areas will be able to stay open all night to cater for lorry drivers, shift workers, and so on.

Part IV provides a legal basis for the grants, which up to now have been paid to councils on an extra-statutory basis, for serviced sites for travelling people. Article 10 contains simplified procedures for clearing unauthorised encampments. Those procedures will be available only to a council designated by the Department of the Environment as having provided adequate sites or being in an area where no sites are needed. I make it clear, however, that part IV does not impose a duty on councils to clear unauthorised camps, nor does it derogate in any way from a landowner's power to take action.

Part V is additional to the published proposals, and has been included in response to widespread demand from the district councils and other organisations with an interest in local government. Article 12 allows councils to resolve to adopt controls over acupuncture, tattooing, ear-piercing or electrolysis. Councils will be able to register persons and premises engaged in those activities and to make byelaws to ensure the cleanliness of practitioners, premises, instruments and materials.

Part VI concerns a miscellaneous array of council functions. Article 17 will update the law on cremation to provide simpler procedures. Article 18 will remove any doubts as to a council's powers to remove graffiti and fly posters. That provision has now been extended to allow councils to recover costs. Articles 19 and 20 provide new sources of revenue by authorising councils to sell advertising space and spare computer capacity.

Part VII contains a number of amendments to the Local Government (Northern Ireland) Act 1972. The most significant is article 28, which brings the law on surcharges into line with England. Under the new provisions a local government auditor, instead of making a surcharge himself, will have to apply to the courts for a declaration that an item of account is unlawful. Article 29, which would allow the Department to make regulations for the publication of accounts, has been added in response to representations, but councils will be consulted about any proposals for implementing it.

Article 31, which will enable councils to sell legal and managerial services to specified bodies, and article 33, which requires a requisitioned meeting to be held within two weeks, both result at least in part from Assembly recommendations. Article 34 repeals a wide range of provisions requiring departmental approval prior to council action. Article 39 widens the definition of "knacker's yard". That is an interim measure in the campaign against the sale of unfit meat. The revised definition will allow councils to control any place where "casualty" animals are killed or meat is processed.

Article 40 replaces the provisions on filling casual vacancies on councils which were formerly contained in articles 8 and 9 of the Northern Ireland (Local Elections) Order 1977. Those provisions have now been included in this order instead of in the recent elections legislation since the Government are advised that, because they deal with the powers of district councils to fill casual vacancies by co-option, they are more appropriate to the local government code. Article 40 is largely a repetition of the former provisions in the order of 1977 except that co-option will not be available in future where a vacancy is due to the invalidation of an election by the courts. In that situation a new election will require to be held.

Article 41 implements another Assembly recommendation and will give Northern Ireland parity with the arrangements in section 56(9) of the Local Government, Planning and Land Act 1980. Under that arrangement the Department may, after consulting the councils, pay costs incurred by organisations such as the Public Service Training Board, the Local Authorities Management Services and Computer Committee and the Local Authorities Co-ordinating Body on Trading Standards,

which supply services to local authorities. The total involved would then be deducted from the general grant paid to councils by central Government.

The order contains some useful new powers for councils and a number of other provisions which have been urged on us by, among others, right hon. and hon. Members. They should help ease the day-to-day administration of local services. I am confident that the order will be a welcome addition to local government legislation, and without reservation I commend it to the House.

2.34 am

Mr. Peter Archer (Warley, West): The House will be grateful to the Minister for that careful synopsis of the order, and we welcome this addition to the legislation. However, the order is a perfect example of what the House discussed last week when we debated the interim period extension order to continue direct rule. First, we began this debate at 2.30 am. Anybody who directed his mind to the problem of running a Chinese laundry at that hour in the morning would be inviting bankruptcy, but that is the time that the Government think is appropriate to consider the affairs of Northern Ireland, and I hope that the people of Northern Ireland will be told that that is how their business is conducted.

The second consequence of direct rule is that legislation for Northern Ireland takes the form of unamendable orders. There is no equivalent of the Committee and Report stages which, in the case of legislation for other parts of the United Kingdom, enable hon. Members to propose and discuss amendments. Where the order deals with a single, broad proposal that may not matter so much. It is possible to debate whether the principle of the proposal is a good idea or a bad one. However, the order deals with a number of detailed proposals — what the Minister called a miscellany of provisions — each of which is capable of being considered separately. It is possible to approve of some, while disapproving of others, offering some qualified approval, conditional on a limited change, or the insertion of a safeguard. In those circumstances, it is unsatisfactory to present the House with a whole heap of proposals and say, "You can take the whole package or leave it, but you cannot amend it. You cannot take part without taking all, and you cannot seek to improve any of the proposals."

I do not lay that at the door of the hon. Gentleman or of the Northern Ireland Office, but I do not understand why, in the nature of things, the order should be unamendable. I see no inherent difficulty in inviting hon. Members to table amendments to subordinate legislation in the same way as we do to primary legislation. I cannot pursue the suggestion in this debate without trespassing on the rules of order, but I give notice that I shall return to this subject.

Article 5 empowers councils to impose closing orders on premises supplying meals and refreshments. This, as the Minister said, is to deal with the case when a cafe or take-away attracts customers at unsociable hours and makes life a misery for adjoining residents. Paragraph 4 provides that the hours specified shall not be earlier than midnight, or later than 5 am. I notice that Belfast city council in its written submissions to the Assembly, asked that the council should have the power to impose a closing order after 5 am, perhaps at 8 am. The Assembly endorsed that request, but the Government have rejected it.

If I lived next to an establishment such as that, I would find it hard to understand why the council should have no power to protect me from being awakened at 5 am. I understand that it is necessary to preserve a balance between the needs of residents and the needs of those who want to buy refreshment, but that depends essentially on local conditions. It is a matter which a council should have power to consider and decide upon. I do not see why a council should not even have power to consider the matter and assess that balance.

Article 21 empowers councils to erect bus shelters. That will no doubt be welcomed by many people who find them themselves waiting for buses in the depths of winter, and sometimes in the bleak early mornings. It is not clear why no central Government grant is made available to councils for that purpose. I understand that funds are provided through the Department of the Environment for direct works, but I do not see why the Northern Ireland Office should not take power to make grants more flexibly in suitable cases. It could still refuse a grant in its discretion if it considered that there was no good reason for making one. There is something to be said at least for taking the power to make such a grant.

We have all said from time to time that local authorities are not to be despised. It is frequently said that the Macrory proposals to remove certain service responsibilities from local counils and to vest them in authorities covering wider areas, or even the entire Province, were made on the assumption that delegated powers would continue to be exercised in Northern Ireland. It is one of the ironies of history that the legislation enacting the Macrory proposals was the last legislation enacted by Stormont before the introduction of direct rule. It is fashionable to remark that the consequence of that is that local councils are left with no powers worth exercising.

A glance at the order will teach us better. Local councils have a range of powers which are of great importance in the daily lives of pople in their locality. If they are exercised badly. They can lead to infected foods, epidemics, failure to ensure safety and an environment which offends the eye, the ear and moral sensitivity. If anyone was suspicious that those powers were being exercised unfairly or in a discriminatory manner, great resentment could be caused.

It is important that the standard of local councillors should be high and that councillors can work together in the public interest even when they may not agree about religious or cultural matters or about their political aspirations. The capacity of Northern Ireland to conduct its affairs through a democratic political system will be judged largely by the maturity shown by its local councillors.

If those who can agree about nothing else can share the powers set out in the order, with majorities demonstrating a sensitivity to the feelings of minorities, and minorities keeping in mind the distinction between asserting a point of view and fouling up the administration, we can urge on the Government that the time has come to consider returning fuller powers to that side of the water in some form. But if councillors cannot work together, cannot demonstrate evidence of tolerance or generosity and cannot make the powers in the order work in a democratic way, they will be reinforcing those who say that the present colonial style of government must continue

[Mr. Peter Archer]

because the process of constitutional democracy cannot be made to work in Northern Ireland. That would render no service to the people of Northern Ireland.

2.43 am

Mr. J. Enoch Powell (South Down): I am glad to be able to take up the admirable speech of the right hon. and learned Member for Warley, West (Mr. Archer). I hope that he will not take it as in any patronising on my part if I say that his speeches as Opposition spokesman on Northern Ireland affairs have become closer to the apprehension of the affairs of Northern Ireland as it is held by my right hon. and hon. Friends. We have listened to his recent speeches with great interest and considerable respect.

I sought to catch your eye at this early stage in the debate, Mr. Deputy Speaker—I shall speak for only a short time—to thank the Government and their business managers for providing the additional time for a debate on the order which had been requested by the Ulster unionist party. Part of the reason for that has already been referred to by the right hon. and learned Member for Warley, West.

We would not wish it to be thought churlish or inconsiderate on our part if there is a less than full representation in the debate of the Ulster Unionist party. My right hon. Friend the Member for Lagan Valley (Mr. Molyneaux) and others formed the view that on this day, and in these circumstances, their duty to their constituents and to the House was perhaps even better performed by assisting in upholding law and order in the Province than by taking part in the debate. Reports from the Province show that their judgment was well founded. I trust that the Government's generosity in acceding to our request will be available on a future occasion, even if we do not tonight exert the opportunity to the full of spending two and a half hours considering the order.

As the right hon. and learned Gentleman said, two and a half hours within the scope available for discussing an Order in Council is not adequate to deal with the legislative problems which such an order presents. Only something resembling a Committee stage of a Bill would enable us to deal with the important items included in the order.

I followed the right hon. and learned Gentleman's argument on that topic, but it seemed to lead him to the inevitable result that there is no substitute for legislation, and that we shall have to find means of legislating for Northern Ireland in the same way as we legislate for the rest of the United Kingdom, though preferably, and in the interests of all, at the same time.

However, in the meantime, so long as we have to use the Order in Council procedure, it should not be beyond the combined wit and good will of the Government, the Opposition and the Ulster Unionist party to devise some means of utilising the Northern Ireland Committee so that, in a more orderly fashion, we can make a closer approach to the benefits and advantages of the opportunity to consider the several provisions of a Bill separately and in circumstances in which it is still possible for the Government, without loss of face, to propose amendments.

I appreciate that the Government have been anxious to exhalt the functions of the Northern Ireland Assembly. There can be no dispute about the amount of work which the Committees of that body have put into the consideration of Orders in Council, but there is one fatal flaw in any such consideration or in any such function of the Assembly. Since it does not possess powers, it does not have that means of exercising responsibility in debate and bringing the force of that debate to bear on the Government which is possessed by this House and its Committees.

I hope that the Government will heed what has been put forward by the Opposition as illustrative and instructive as to future legislative improvements and progress. My hon. Friends will deal with the several matters within the Order in Council, so far as that is practicable.

2.48 am

Mr. A. Cecil Walker (Belfast, North): I support the order because it proposes to strengthen the powers of councils. Some of the proposals might appear to be a trifle mundane, but the order is welcome because it is an attempt by the Government to give a little more credibility to district councils and so enable them to justify their existence by accepting more responsibility in their civic duties.

Some of us would say that such additional powers might not be fully exercised because of the provocative presence of Sinn Fein in the council chambers. That presence is viewed as creating a situation for the disruption of council business, condoned by a Government who have not the courage to proscribe Sinn Fein and thus give potential murderers and terrorists a respectability that no other Government in the world would countenance. Now that councils will have to cope with the imposition of people who treat all forms of government with contempt, I trust that those members who are loyal to our position within the United Kingdom will combine together in every way to uphold the traditions of local government and to provide a full and complete service to the ratepayers of the Province within their areas of responsibility.

As a British subject living in part of the United Kingdom, I believe that we should always have the same cares and responsibilities together with the same benefits as our kith and kin on the mainland. It is with that in mind that I welcome the proposed new provisions which bring us into line with those in Great Britain. I refer to articles 23 and 24. Although not in themselves significant, they are significant with regard to the principles of automony for the future of local government in the Province.

The input of other bodies in the licensing of places of entertainment, sex establishments and closing orders in connection with premises supplying meals or refreshment is also to be welcomed, as is the strengthening of existing council provisions under articles 12, 13, 14, 15, 16, 21, 22 and 25 which take into account a wide spectrum of functions, including crematoria provisions, removal of graffiti, advertising on council land, spare capacity of computers, erection of bus shelters, delegation of functions to officers, mode of voting at council meetings and regulations as to burial grounds.

I am glad that in part II of the order the Government have appreciated the need to ensure that the highest safety regulations will apply to places of entertainment, that there is now a statutory obligation for councils to consult the fire authority about every application for a licence, that this is to be extended to private clubs offering entertainment and that the order is to be amended to include any sports that the Department may subsequently determine. I am also pleased that the Government have accepted the need to

ensure that persons applying for the grant, renewal or transfer of an entertainment licence are fully covered as regards public liability insurance. In my view, it is essential that such insurance policies cover all risks and that the policies are inspected to ensure that they comply with such conditions as are warranted.

With regard to schedule 2 and the licensing of sex establishments, such places have been defined as sex cinemas or sex shops. Concerning a proposed sex cinema compared with an established cinema registered under the Cinematograph Act 1909 and the Cinematograph Films Act 1957, it should be pointed out that under existing council powers a registered cinema can be prevented from showing a film which, in the opinion of the council, has sexual connotations causing offence to public decency, whereas presumably no such rules will apply to a licensed sex cinema. Such an anomaly could lead to accusations of discrimination from proprietors of registered cinemas who may believe that such films would attract larger adult audiences.

On the definition of sex shops, to the comment from the Assembly about paragraph 6 of schedule 2, that

"it would appear that an opportunity has been missed to include control of striptease establishments and live sex shows,"

the Government replied that the control of such establishments was a matter for the police under the laws regarding indecency. I would also include sex parlours and brothels in that category. Such places of sexual activity are known to be functioning almost openly in many parts of Belfast. There appears to be reticence by the law to take such action as is necessary to close those places. I am not suggesting for a moment that councils should seek powers to license such establishments, but care would have to be taken to ensure that the activities of sex shops were not extended to include other sexual services, such as I have just described.

As regards part III of the order, I am concerned about the number of what I call shebeens that are flourishing in certain parts of the city of Belfast. These are not licensed premises within the meaning of the Licensing (Northern Ireland) Act 1971. There appears to be no restriction upon the number of hours that they can remain open. It is suggested that they provide an around-the-clock facility. The activities of some of the persons using those premises cause great offence to nearby residents, particularly in the early hours when these people are inebriated and full of Dutch courage. They roll about all over the place, mouthing obscenities and threats, and relieve themselves against the houses, doors and windows of nearby residents. Councils should be forceful and, after the investigation of complaints, use the closing order provisions against these premises. I am pleased to note that the councils will not reveal the names of those who lodge complaints against the keepers of these establishments. However, it is imperative for steps to be taken to protect confidentiality as there are some council members who believe that shebeens and drinking clubs should be supported.

Part IV of the order deals with the control that can be exercised by district councils over encampments of travelling people. I am completely opposed to grants, facilities or other provisions being made available to travelling people or gipsies. They have descended upon Northern Ireland like locusts and they desecrate everything that lies in their path. They leave behind dirt and filth that has to be cleared up and paid for by the taxpayers of Northern Ireland. The free health service, the Government handouts and the comparative prosperity of the Province over the Republic of Ireland from whence they came is the reason for their presence. When there is so much poverty among our own people, I deplore the vast sums of money that a benign Government have lavished upon these parasites in our midst. The working party that was set up to advise on site provision for this army of marauding nomads would have been better employed devising ways and means to combat the deprivation that faces those solid Ulster citizens who have made their contribution to the Province throughout the whole of their working lives.

Let us consider the cost to the taxpayer of the Government pandering to these so-called unfortunates. A few years ago the council set up an encampment for them in Springfield, Belfast, despite the fact that the travelling people did not want and would not use it. It cost the Government £232,371. The camp was never used, and it was left derelict. No gipsy went near it. That ground is now being used for much needed housing.

The new proposals call for the expenditure of £778,000 on a site on the Monagh road that is close to the original encampment, but one hopes it is far enough away to ensure that the local population is not contaminated. Despite this expensive provision, I do not believe that it will be a success. It will be used only when it suits the gipsies. When they have wrecked it, they will move on, wherever their wandering feet take them.

I also object to the part that the local council is being forced to play. It is wrong that the running costs of such an expensive provision should fall upon the ratepayers of the Province. The Department of the Environment provides 100 per cent. of grant aid to district councils on the mainland to provide sites for gipsies, and the county councils provide the district councils with funds to run and manage them. We do not have county councils in Northern Ireland, so the Government should not push their commitment to the travelling people on to the local council, but should fund the operation completely. I am also opposed to local councils having to remove unlawfully parked caravans and their occupants. I would not object to councils removing them from council land, but my experience is that gipsies almost always park on Department of the Environment land, which is effectively Government land. The Government should also accept that responsibility as part of the package.

We get many excuses for unauthorised parking. I have experienced some in north Belfast. It was months before we could get gipsies to move from a site which was required for urgent housing. We had sickness, mechanical breakdowns, pregnant women—everything that could be dreamed up to frustrate the legal system.

I support the order and broadly agree with most aspects of it. The issues covered by it are not contentious. I am pleased that there is to be control of tattooing and ear-piercing. Too many novices are taking up ear-piercing. There is always a danger if cleanliness is not of a high order, so the measures in article 14 are welcome.

I agree with the miscellaneous functions of councils in the order. I approve of such steps and hope that more and meaningful powers will soon be conferred on district councils.

3.1 am

Mr. William Ross (Londonderry, East): Sir Patrick Macrory said long since that if he had known that Stormont

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would be abolished he would not have made his proposals for the conduct of council affairs in Northern Ireland. It has taken an inordinately long time for the implications of that remark, and all that was done by the Macrory report and its acceptance, to seep through into action to get more power back down to the people.

I served on my local council for a long time. There was an enormous amount of frustration there. When I consider what has developed in Northern Ireland — the street groups and non-elected groups that act for the people—I conclude that they came into being simply because there was something badly wrong with the heart of our local government structure. Although I welcome the return of powers, minor though they are, in this order, much more than can possibly be covered in an order such as this must be done. The longer that job is put off, the greater are the difficulties for everyone concerned in the Province.

As my right hon. Friend the Member for South Down (Mr. Powell) and my hon. Friend the Member for Belfast, North (Mr. Walker) said, there is so much in the order that one could easily take twice two and a half hours and still not cover it in detail and get the changes that should be made. In regard to licensing laws, the change in the Irish public house in the past 15 or 20 years has not been gone into in sufficient depth. When I was a boy, and even as a young man, a public house in Northern Ireland was a place where one went for a drink, and quite often got very drunk. They have become places of mass entertainment, and the people who live in surrounding areas are now much worse off.

That is perhaps outside the scope of the order, but it is something that will have to be considered very soon. A step is being taken in the right direction in the order when one reads about the licensing of various types of entertainment. I note that the Government say that it is possible to extend the licensing requirements to other types of entertainment not listed in the order and that this will be done by order. May we be informed by the Minister exactly what the procedure will be? Will the order be debatable, or will it be one of those unfortunate instruments which go through the House so frequently without any debate?

Quite often measures such as this are slipped through the House, and we who represent the people of Northern Ireland feel that some discussion is needed on them. I should not like to think that these lists will be extended for several types of entertainment without a full debate and a thorough examination of what is being done to the community and to society in Northern Ireland in general. What will the procedure be?

I am not desperately clear about what is meant by "entertainment machines," but I suspect that they are the one-armed bandits which have inundated establishments in many parts of Northern Ireland, most of them illegal. All of them seem to swallow 10p pieces, especially when they are used by children, at a most alarming rate. Every Member of Parliament and every council in Northern Ireland is receiving complaints about these machines, which take far too much hard-earned money, to the detriment of family life. I hope that this is covered by the order and that something serious will be done.

Mr. Chris Patten: I trust that we will deal with that particularly important issue in the Betting and Gaming Order when the House has an opportunity to consider it. I accept what the hon. Gentleman has said about the importance of the subject.

Mr. Ross: Clearly, it is the more innocent type of machine which is covered by the order.

On the question of entertainment licences, I am in general agreement with what has been said, both in the Assembly and in this House, about comprehensive insurance to cover entertainment, but a number of functions take place in Northern Ireland annually and I am curious about how they will be affected. I am speaking about the one-off fund-raising activity which takes place in the church hall, possibly for the church itself, possibly for a charitable orgainsation. Barn dances run by young farmers clubs are very popular in the country and are usually an annual event. I am curious about the type of licensing control that will be needed for such entertainment and the type of public liability insurance required. I should not like to see such fund-raising entertainment stopped, but the law should be should be constructed in such a way that people do not render themselves at a disadvantage and do not put themselves into bankruptcy as a result. A clear explanation of the legal position should be given to those who organise these very enjoyable occasions.

Paragraph 4 of schedule 2 deals with the licensing of sex establishments. This is to be welcomed. Such establishments offend most people in Northern Ireland. I am curious about whether the Government would raise serious objections if council after council decided that no sex establishment was the right number for its particular area. Have the Government a view on that, or will they be awkward when councils turn them down, as most of them will?

When discussing an order which gives more power to councils and councillors, I resent the suggestion from some quarters, especially from the Assembly, that we should have a local ballot. Councillors, like Members of Parliament, are elected to exercise their own discretion and judgement, to act upon it and to take the electoral consequences of their actions. They are not elected to pass the buck to somebody else. I have always thought that holding local ballots was a way of passing the buck and of being able to hold up one's hands like Pilate and say, "Here I am, whiter than white. I did not do anything wrong. It was all those people out there." People who stand for elections are saying that they are willing to make decisions, no matter how hard those decisions are. If they are not prepared to make decisions, they should not stand for election in the first place.

Articles 5 to 7 deal with the control of carry-outs. These are useful establishments, but they are like the lamp posts outside the front door. One always wants them outside somebody's else's front door, preferably half a mile away. I have recently been involved in a battle in my own village against the opening of such an establishment. Carry-outs are useful to the community at large, but are heartily cursed by those who have to live close to them. I do not think that there is a simple way round the problem.

This brings us back to the whole question of planning control in commercial centres. For the moment I am speaking of the annoyance caused to residents in small towns and villages by establishments such as carry-outs and sex shops. Carry-outs should be licensed and tailored into the community in such a way that their usefulness is

retained and their worst features diminished so that they are not a problem to those who have to live close to them. It is a question of the control of the planning of the commercial centre of towns and villages.

Mr. Ken Maginnis (Fermanagh and South Tyrone): Does my hon. Friend agree that there is reciprocity, in that from time to time the planners make the mistake of giving planning permission for housing—often housing for the elderly—to be built close to carry-outs. Is he aware that in my own town there is a determination apparently by the planners to allow sheltered accommodation to be built right in the middle of a commercial area? Is he aware that they are determined to thwart the efforts of the council to prevent this from happening?

Mr. Ross: I was not aware of the case that my hon. Friend has mentioned, but in my local town of Limavady the planners allowed a large pub to be built on the corner of a housing estate. Neither I nor the council thought that that was a wise place to put it. We were told at that time that there was no planning reason to prevent it. I hope that things have improved in recent months because of the requirement that the planners must take more account of the amenity value of an area and the damage that might be caused by allowing developments similar to those that took place in the past. The problems of residents will be eased to some extent by the requirement that notice be given of what is to be built on adjacent land.

Mr. J. Enoch Powell: My hon. Friend has almost opened up a debate within a debate on the topic of carry-out shops. Does he agree that effective control of carry-out shops is not possible unless there is also effective control of mobile shops, which are often in competition with the carry-out shops, and which are often an even greater nuisance in the neighbourhood? Areas such as parts of my constituency adjacent to the Republic produce many cases where the owners of carry-out shops have a just complaint when the regulations are enforced against them, but apparently little or nothing is done to control the activities of the mobile shop, which moves in during the late hours of the night and operate through the early hours of the morning and then disappears again across the border.

Mr. Ross: I appreciate what my right hon. Friend says, but when he is talking about a mobile shop in this context he is really talking about a carry-out.

Mr. Powell: A mobile shop selling beefburgers.

Mr. Ross: My right hon. Friend is talking about a mobile carry-away beefburger shop, and not a grocery van, which was a familiar and useful asset to country life in the past. I am just coming to the whole matter of street trading and car park trading. I have had correspondence with the Minister on this issue. We get folk moving in and setting up shop, sometimes in an old van, and carrying on a full-scale shopping enterprise on some housing estate, in a car park or on a street corner, to the detriment of the local ratepayers in their places of business, who suffer grievously from it.

One has also to remember the growth in the past 10 years of roadside selling, and sometimes from farm shops by farmers of farm produce and other horticultural products. This is now a common feature throughout the British Isles. What, if anything, is to be done about that? We need to get that problem sorted out before it gets bigger. I get worried when I see long lines of traffic pulling up to buy fruit and vegetables at the sides of main roads. It is not a very safe practice, but we all indulge in buying the stuff, and that helps to keep them in business.

The closing hours of shops are to be between 12 midnight and 5 am. There is a general welcome in Northern Ireland for the fact that this order appears to have closed the loophole of Saturday night and Sunday morning opening. When that loophole was there, traders were able to carry on business throughout the night. My hon. Friend the Member for Upper Bann (Mr. McCusker), who is not with us, was very incensed about that and is particularly glad, like the rest of us, that it has been brought to an end. Can the Minister tell us whether any shop at all can sell between 12 midnight and 5 am? In other words, is there anywhere left for the all-night shop, or is it a matter of the licensing not being hard and fast and if someone wishes to do so he can allow all-night shopping, for some aspects of commerce?

In articles 8, 9, 10 and 11 we come to the matter of gipsy camps. I shall not take up the time of the House by echoing all that was said by my hon. Friend the Member for Belfast, North, but I applaud what he said. These people have changed in nature over the years, and recently on the east side of Glenshane a large number of caravans appeared and stayed for three or four weeks, all of their occupants apparently selling furniture. How on earth they sold furniture which had been out on top of the van getting soaked on wet nights I am not too sure, but they seemed to be doing it.

We also have the problem of people who camp in Londonderry city at the end of the bridge on DOE land. These people have been a constant annoyance to traders and local residents. The area is an absolute mess and something will have to be done about it. It is the Minister's business to get something done about it when they camp on DOE land. They are a heartbreak, and the sooner they go back to where they came from, the better everybody in Ulster will be pleased.

Mr. Maginnis: Will my hon. Friend accept that while there were a number of what are known as travelling indigenous people in the area, we were encouraged by the department to provide sites for them? Having accepted the department's diktat on that, we then found that the department added to the requirement and suggested that we should leave some vacant sites for people passing through the area. Even if we have DOE land properly fenced and get rid of these true nomads, we shall have to provide sites for them. Is that not complete nonsense?

Mr. Ross: Yes, I accept that. These folk are the drones of society. I recall the stories told over the last 30 years of them all coming over the border whenever a baby was due so that the child could be born in Northern Ireland and qualify for all the benefits of British citizenship, which it would not have done otherwise. To describe them as useful citizens is untrue. I believe that they are a drag on society. They are not only unsightly; many of them are totally dishonest. I wonder what steps have been taken to try to see whether they are engaged in gainful employment and at the same time are getting the maximum benefit that they can from social security.

One of the articles is concerned with the removal of graffiti. "Graffiti" is a fairly wide term nowadays, so I took the opportunity to discover what a dictionary said about it. My right hon. Friend the Member for South Down

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will know more about this than I do, but I find that it goes back a long way—certainly to Greek and Roman times — and is scratchings on walls. Nowadays it is not looked upon as scratching on walls. It is a very much wider term. When the order was being drafted, I hope that some care was taken to ensure that the word covered paint on walls and roads and all the rest of it. Most of us find it unsightly, and, although I do not mind seeing the occasional lamp post or kerbstone painted red, white and blue, I hate to drive along miles of road trying to read what is written on the road—much of it not very polite—by various factions. The only remedy is for the road to be sprayed, but all that happens is that they come back and do it again.

I hope that sensible efforts will be made to reduce the incidence of what I describe as wall paintings and wall slogans, rather than graffiti. They are a most annoying feature of life, and I prefer not to see things plastered with paint, anyway. If it is well done, that is good enough, but more often than not it is simply rubbish of the worst kind. Anything that can be done to remove it will be welcomed by the vast majority of our citizens.

Another article is concerned with the erection of bus shelters, and a number of questions come to mind which the Minister should answer. I wish to qualify the position of the Department of the Environment after the order is approved. Is it to stop the very limited work that it was doing and unload the whole burden of providing bus shelters on to councils? How are we to get the efforts co-ordinated? Who is to be the co-ordinating body? How are we to ensure that a bus shelter at point A is put up by the council, one at point B is provided by the D of E, and one at point C by Enterprise Ulster or someone else? All these people have been working at it, and I hope that the Minister and his Department have sorted out all the ragged edges, because I can see certain problems ahead. Why are we being given no Government money for the councils to do this job? There is no point in saying that councils should erect shelters if they are not given some encouragement to do the work.

Article 24 makes provision for allowances for the vice-chairmen of councils. Among the electorate — not among the councils—I find a fair amount of disquiet at this proposal, bearing in mind that some councils seem to be willing to make both their chairmen and vice-chairmen full-time officials of the councils. I am surprised that this proposal has got through without any argument. I should have expected it to be looked at with a fairly jaundiced eye and that the chairman's allowance would be regarded as sufficient to cover the vice-chairman whenever he was acting for the chairman. The electorate has become increasingly worried about the amount of money spent on chairmen's allowances in many councils. It is a source of grumbling discontent, and the Minister should take an interest in it.

Article 28, which replaces articles 81 to 86 of the principal Act, has far-reaching implications. The Minister said that it brought the law regarding the recovery of money, and wrong decisions, into line with the law in England. The order states that in any action to recover money wrongly spent, the court shall take into account the ability of those who have made the wrong decision to pay. I was worried when I first read that, and I have reread it several times since, but my anxiety has not lessened.

Many councillors, especially from the Sinn Fein camp, do not have any property or means, and would be more than happy to twist and use the system. They would happily go to court, be found guilty, complain about it and say, "We do not have any money to pay and, therefore, the courts can do nothing about it." The courts should not consider the wealth or poverty of an individual who breaks the law. That is not the point. The point is whether the law has been deliberately flouted and broken. Yet we have written into this new legislation a loophole or great big barn door for the evil to drive through. If the Minister is being handed a note saying that the provision is maintaining the status quo, I am sorry that the opportunity was not taken to close the barn door rather than leave it wide open. I admit that there were no Sinn Fein councillors on the council when that provision was first drafted, but they have been there for a month or two now and it is time to reconsider it.

Housing services are mentioned in the explanatory document on article 30. Surely this should come under Housing Executive legislation rather than under local government legislation, or do the Government intend to give a measure of control over housing back to councils, which I would welcome? That is overdue, and the councils have a great deal to say about that.

Article 36 states that planning law applications will apply only to new burial grounds. This means that the present 100 yd rule will cease to have effect. I recall the council in Limavady trying to get a new municiple burial ground. At the last minute we were prevented from getting a suitable site because one person living within 100 yd of the site complained. The council had to buy building land at a vastly increased cost to provide the burial ground needed for the area. Why is the 100 yd rule now to cease to have effect, and what are the practical implications for people on the ground? It is a serious matter and we need to know exactly where we are.

My final point relates to article 40 and the filling of a casual vacancy of a certain type. That brings me back to the point that I have made, but which does not seem to have got through to most hon. Members, and certainly not to the Government. In a proportional representation system, the mere fact, especially in new boundaries and groupings, of a death or disqualification followed by what is in essence a first-past-the-post form of election can change the political complexion of the council. This is one of the great weaknesses of PR, to which insufficient attention has been paid. People have not addressed themselves to the problem. The end result is an open invitation, under certain circumstances, to the IRA to murder. This is a matter which frightens the daylights out of anyone who thinks about it seriously, because if a certain person loses his life, by murder or accident, the whole complexion of several councils in Northern Ireland can be changed. The Government must examine this matter seriously and quickly, and do something about it.

3.30 am

Mr. Chris Patten: The right hon. and learned Member for Warley, West (Mr. Archer) began by noting that we were considering these important matters at an extremely late hour. I sympathise with what he said, and therefore find all the more commendable the diligence with which, as is customary, a number of right hon. and hon. Members have pursued the interests of their constituents and of the Province.

I note what the right hon. and learned Gentleman said about legislation in Northern Ireland, and I shall draw his remarks to the attention of my right hon. Friend the Secretary of State. He mentioned closing orders on take-ways and said he would have liked us to have given councils power to operate, as it were, after 5 o'clock. In our response to the Assembly's views, which reflected the opinions of Belfast city council, we pointed out that we were trying in the order to achieve a reasonable balance between the interests of residents, traders and customers by repealing existing restrictions on the hours during which meals or refreshments may be sold and replacing them with council powers to order the closure of particular premises during the hours about which local residents had complained of being unreasonably disturbed. Premises are currently permitted to open at 5 am. We took the view that there was not a strong argument for changing that. We are not aware of any complaints about disturbance caused between 5 am and, say, 8 am. We believe therefore, that any extension of closing hours would unnecessarily upset the balance which, as I said, we have tried to strike between the various interests.

The right hon. and learned Gentleman referred to bus shelters and grants, a subject which was also raised by the hon. Member for Londonderry, East (Mr. Ross). Article 21 is not intended to impose a duty on councils to provide bus shelters. Some councils have already erected shelters, and that article provides them with the necessary legal authority for having done so.

The Department of the Environment's small allocation of funds for bus shelters will be fully taken up for the foreseeable future in carrying out a limited programme for shelters at key points. I am afraid that we do not have the money to do more, and I would not regard the provision of additional funds for this purpose as so considerable a priority as others I might mention.

The right hon. Member for South Down (Mr. Powell) referred to the legislative proposals made by the right hon. and learned Member for Warley, West and pointed out why—and I am sure that the House understands—a number of his right hon. and hon. Friends are unable to be here tonight pursuing points which they pursued vigorously in correspondence and at meetings not only with me but with my predecessor.

The hon. Member for Belfast, North (Mr. Walker), in a wide-ranging speech, referred to the control of sex shops and the relationship between the provisions that we are enacting in that regard and the control of similar establishments. The control of striptease establishments and live sex shows is a matter for the police under the laws regarding indecency, and that goes for some of the other activities and entertainments to which the hon. Gentleman referred. As the hon. Gentleman may know, proceedings were taken recently against a strip show in a public house in Armagh. A heavy fine was imposed under section 9 of the Criminal Justice (Miscellaneous Provisions) Act (Northern Ireland) 1968, and the performances ceased.

The hon. Gentleman referred to drinking clubs, as did the hon. Member for Londonderry, East. I very much hope that we will be legislating on clubs as well as liquor licensing in the next Session. The Secretary of State and I regard it as a priority that we should do so, for a large number of reasons relating to social order and weightier matters.

The hon. Member for Belfast, North, with whom I always dislike to disagree, referred to itinerants and itinerants' sites. I shall say a little more on this subject, which I think is particularly important. Whatever the hon. Gentleman was saying, we have to scrutinise the appalling conditions in which many travellers now live. I am aware, as I use the word "traveller", what a misnomer that often is. We are talking about two groups of people—those described rather ineptly by the sociologists as the static travellers or static itinerants and the groups who travel who are, indeed, itinerant. Some of those who are static have been static in Northern Ireland for years.

It may be that there are arguments concerning social security fraud which we need to pursue. There are certainly arguments that I have taken up with my opposite number in the Republic to our mutual advantage, or rather to the mutual advantage of taxpayers in Northern Ireland and in the Republic. Nevertheless, the majority of people whom I am concerned to help fall into that curiously named category, static travellers.

We must also recognise the difficulties posed for individual communities by the present state of the law and by present practice. I can think of a number of examples in Down Patrick, Londonderry, Belfast, Newry and other places where communities have been put under considerable pressure. I believe that in the policy that we are carrying through in the order we have the balance right. It is a carrot and stick policy. We are not imposing a statutory obligation on councils to provide sites, as has been imposed on councils in England, Wales and Scotland; we are offering to designated councils—those which have provided sites or those in whose areas no sites are necessary—additional powers of rapid eviction. We are also offering to those councils which provide sites extremely generous capital grants more or less on the lines of those provided in Scotland, and more generous than those provided in England and Wales.

I have allocated out of my budget £2 million in the public expenditure survey period in order to provide sites for all the static travellers whom we have been discussing, 112 families or thereabouts in Northern Ireland, which should deal with the problem.

Hon. Members say that we should also help with running costs. I do not think that it would be reasonable to go further than has been done in Great Britain. We are being as generous as we can be with capital grants. It is reasonable that district councils should bear some share of the financial responsibilities, with the support that they get from the Department of the Environment through the general grant.

I should deal with one further aspect of policy——

Mr. William Ross: Did the Minister mention a figure of £2 million? Surely that would build them a house apiece.

Mr. Patten: I am afraid that some of the costs of providing a serviced site are not much below the cost of building a house. For example, the cost of the site proposed on the Monagh road, currently being considered by the Belfast city council, is extremely high. One reason for the high cost is the site itself. It was chosen partly because of the difficulties incurred with previous sites. The Public Accounts Committee drew attention to the problems that we brought down on our heads there and in Londonderry. It is partly in response to the Public Accounts Committee and its observations that we have tried to produce a policy that is more coherent and makes greater sense.

Mr. J. Enoch Powell: I wonder whether the Minister is applying sufficiently rigorously his dual classification of the travellers. I shall illustrate that briefly by contrast. There is in Newry a site that has almost always been traditionally occupied by travellers or gipsies and which it is proposed to deal with by the provision of a deliberate site some distance away. On the other hand, in Downpatrick there appeared on the Flying Horse estate a whole colony which had not been there before. Clearly that is not a phenomenon that we should think of dealing with by the provision of sites. The anxiety of my hon. Friends is that we might be providing sites in the latter case, thus encouraging and even duplicating that kind of movement.

Mr. Patten: We are talking about providing sites for —and I repeat the unfortunate words—static itinerants who were surveyed by the working party set up by my distinguished predecessor at the Department of the Environment. It established a need for about 112 sites. It is to the achievement of that objective—the provision of those sites—that I have allocated the money to which I referred earlier.

I hope that the Department will be helped in its policy by the work of the advisory committee on travellers that we are setting up to assist us not only in the development of policy but in improving relations between travellers and the community.

The hon. Member for Londonderry, East referred to one or two matters which I hope will be dealt with in our legislation on liquor licensing, the registration of clubs and betting and gaming. He wondered whether, if councils argued that the right number of sex shops in their districts was nil, the Government would intervene to set a higher figure. I assure him that that would not be our intention. It is for the councils to decide whether nil is the right number.

The hon. Gentleman referred to one-off church functions fund-raising activities, social events, dances, and so on. A church organisation will be able to apply for an occasional licence for a modest fee and will not be required to incur the cost of advertising the application. Most churches will already have insurance to cover their buildings. I am sure that responsible councils will ensure that the organisers of such functions will be made aware of the new law, and suitable publicity will follow the making of the order.

The hon. Gentleman made a Burkean point about local polls, with which I entirely agree. He referred to graffiti. I assure him that the order covers slogans on walls and roads—particularly those referring to me!

The hon. Gentleman referred to allowances for vice-chairmen. We are bringing the law in Northern Ireland into line with that in Great Britain, but I take the hon. Gentleman's point.

Mr. J. Enoch Powell: Before the Minister leaves the matter of graffiti, could he do anything about persuading the parliamentary draftsman to treat "graffiti" as what it is, a plural and not a singular? There is a solecism in the order as it stands.

Mr. Patten: I note the right hon. Gentleman's point. I think that it is a solecism that occurs occasionally in legislation elsewhere—for example, when references are made to referendums. However, I shall bear that point in mind should I legislate on graffiti in the future.

The hon. Member for Londonderry, East also referred to surcharges. I take his point. Having had some experience of dealing with appeals in those instances, I think that it is preferable, as happens on this side of the water, to proceed through the courts rather than to proceed almost straight away, or at the end of the line, through the Minister. Where a councillor would not be financially able to repay a surcharge, he would still be subject to the penalty of disqualifaction, which needs to be borne in mind.

A point raised by the hon. Member for Belfast, North, which was touched on in the speech by the right hon. and learned Member for Warley, West, related to wider local government matters, which I am sure we shall have many opportunities to discuss, not least in the debate later today. I hope that it is not too vain to say that I know almost as much about the present local government scene in Northern Ireland as anybody else. I have visited 24 out of the 26 district councils, several on more than one occasion. I have met the mayors and chairmen of councils on several occasions, delegations of councillors and, of course, the clerks of councils. My experience leads me to make three observations on the present scene.

First, the majority of councillors and councils have worked consistently in the interests of the whole community that they were elected to serve, regardless of their legitimate political differences. One thing that always unites any council visited by a Minister is the awareness that the Minister is not doing as good a job as the council would like him to do, and not spending as much money as the council would like him to spend. That work on behalf of the whole community will continue to be carried out by most councils and councillors.

Secondly, I recognise how distasteful it must be for members of constitutional parties to have to share council chambers with those who endorse violence. I have found it distasteful in the past to visit some council chambers where members of Sinn Fein were present. Nevertheless, I think that, in the interests of the whole community, all of us have to go on working to make local government as effective as possible. It would be wrong for me to stop visiting councils because Sinn Fein is represented on them. It would be equally wrong for councillors to stop working in local government because of the existence of that party in council chambers.

Thirdly, those who use the present local government scene to score crude political points are not doing local government in Northern Ireland any good, nor are they doing their own political case any good.

Mr. William Ross: The hon. Gentleman and his colleagues in the Northern Ireland Office, as I understand it, always give notice when they intend to visit a council. How do they intend to take care of their security if councillors are to be told when the Ministers are coming?

Mr. Patten: That is the sort of issue that it would be injudicious of me to explore in this debate or in public at all. Whether one is driving on the M4, visiting councils in Northern Ireland, or even holding one's regular constituency surgeries, one is, above all, dependent on the non-stop activity of one's guardian angel.

I hope that the order will help councils and councillors to do an even better job than many of them are doing, and all too little appreciated. It is perhaps an inevitable feature of the present scene that only those councils that are

distinguished by head banging get any attention, and not those that try to carry out, to the best of their ability, the sort of responsibilities covered by the order. I hope that they will get a little more coverage in carrying through this order, which I commend to the House.

Question put and agreed to.

Resolved,

That the draft Local Government (Miscellaneous Provisions) (Northern Ireland) Order 1985, which was laid before this House on 20th June, be approved.

Credit Unions (Northern Ireland)

3.51 am

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Chris Patten): I beg to move,

That the draft Credit Unions (Northern Ireland) Order 1985, which was laid before this House on 19th June, be approved.

I am sorry that my hon. Friend the Minister of State is not available to carry this order through the House. I know that my hon. Friend has taken a great personal interest in the order, and it was a great disappointment to him that he could not be here this evening. However, the House will understand that Northern Ireland Ministers, as well as Northern Ireland Members of Parliament, often have to be on duty in the Province for pressing reasons, and tonight is such an occasion for my hon. Friend.

As the House will know, credit unions, which are a special kind of co-operative, have flourished in Ireland for 30 years. In Northern Ireland, they have existed since 1960. They now number 98 and have over 100,000 members, and assets of £40 million. The strength and continued growth of the credit union movement in Northern Ireland persuaded the Government to introduce this order which, for the first time, legislates for credit unions in their own right and ends their treatment as a special class of industrial and provident society regulated under the Industrial and Provident Societies Act (Northern Ireland) 1969. The order also takes account of certain necessary changes that were incorporated into the Great Britain Credit Unions Act 1979.

Credit unions encourage people to save and, out of the pooled savings, provide loans at a low rate of interest to those who, by virtue of their savings, are members. They also seek to educate their members to budget and use money wisely. The benefits are substantial to people who do not normally use banking or buildings society facilities or who are on low incomes. The growth of the movement is all the more commendable as it relies almost totally on voluntary effort.

It is usually sensible to be wary about legislating where voluntary effort is prevalent—the enthusiasm and zeal which inspire the voluntary effort can easily be stifled by too rigorous a statutory framework—but in this case there is the counter-danger that too loose a framework could jeopardise members' savings. We have sought in this legislation to avoid both these dangers. Well over 90 per cent. of the order contains the existing familiar law which has worked well. The new provisions which are drawn mainly from the Great Britain legislation—the Credit Unions Act 1979—have been included only after very lengthy consultation.

I shall at this stage clarify one important technical, and more than technical, point that has concerned some right hon. and hon. Gentlemen. Some hon. Members may be wondering why this order is being debated at all, as the Credit Unions Act 1979 provides for the extension of its provisions to Northern Ireland by the negative rather than the affirmative procedure now adopted. As the House knows, the negative resolution procedure is used only if the provisions of an Order in Council correspond precisely to those of an Act.

It was our original intention to proceed in this way and to replicate the 1979 Act in Northern Ireland. However, strong re-representations were made by the credit union movement for separate credit union legislation and, more

[Mr. Chris Patten]

important, we were pressed to diverge from the 1979 Act where the existing Northern Ireland law was working well in practice and did not require amendment. We were urged to depart from the existing Northern Ireland and Great Britain law to relax the prohibitions on loans to persons who had moved outside the common bond. The acceptance of all these representations accounts for the present order being subject to the full affirmative procedure of this Parliament.

I know and understand the importance which right hon. and hon. Members attach to the negative resolution procedure. I hope that they will understand why we did not use it on this occasion, even though they have a continuing disagreement with the Government over the way that the legislative process affects Northern Ireland. In this instance, as my right hon. Friend the Secretary of State has said—I think most recently in response to the right hon. Member for Lagan Valley (Mr. Molyneaux), who has argued the case vigorously—if the order had been made by the negative resolution procedure, new provisions could have become law without parliamentary debate and adequate discussion. He does not believe, and nor do I, that this would be a justified use of section 32(4) of the Credit Unions Act 1979.

As I have suggested, the order is a recognition of the success and standing of the credit union movement in Northern Ireland. It provides credit unions in the Province with their own legislation. The existing law, under which the unions have prospered, has been restated. Credit unions, like companies and other societies, must operate under a distinctive name, abide by their objects and operate according to the legislation and their own rules in relation to their members and to the public at large, and the changes to these broad requirements are minimal.

The main changes derive from the Great Britain Act of 1979 and introduce a maximum and new minimum membership of 5,000 and 21 respectively. Also included is a new provision in article 26, which will allow credit unions to accept deposits from under-16-year-olds. This provision is particularly welcomed by the credit union movement, as is the increase from 6 per cent. to 8 per cent. in the permitted annual dividend. In addition, credit unions are required by article 37 to have insurance cover against fraud or dishonesty. To supplement the existing supervisory role of the registrar of friendly societies, article 57 gives him power to call for periodic financial statements from credit unions.

As the credit union movement is much older and stronger in Northern Ireland than in Great Britain, there are naturally a few differences between the legislative codes. One of these involves the common bond which must exist between the members of a credit union. This may be a common place of residence or occupation or some other approved bond. To a large extent it ensures the successful operation of a credit union by establishing mutual trust among the members and reducing the likelihood of bad debt.

In a provision peculiar to Northern Ireland, article 28 permits persons who move outside the common bond to retain their full borrowing rights for one year, thus removing the former provision restricting loans to an amount not in excess of the members share capital. It was with some reluctance that we accepted this relaxation of the former provision, following representations regarding hardship arising particularly from rehousing. The arrangement will be kept under close review and the period of one year can be raised or lowered by subordinate legislation.

Another distinction relates to the maximum limit on a member's share capital. A limit of £3,000 has applied for some time in Northern Ireland, whereas the limit operating in Great Britain is currently £2,000. I see no reason to change the Northern Ireland limit. There are a number of other less important differences between the order and the 1979 Act which relate to such matters as the power to alter the minimum membership requirement in article 13, an additional provision to account separately for the deposits of young people in article 42 and the absence of a restriction on the period for repaying a secured loan.

As with any legislation, it is unlikely that everyone will be totally content with it. Some matters on which the movement has pressed us have not been taken on board on this occasion. For example, we could not accept any relaxation of the provision which prohibits undischarged bankrupts or persons found guilty on indictment of fraud or dishonesty from acting as directors of a credit union. Another matter involved the right of a credit union to levy members. There is no such provision in the Great Britain legislation and we saw no convincing reason for making a change. It has been made clear in writing to each individual Northern Ireland credit union that there is nothing in the legislation to prevent members from voluntarily making donations to their credit union. There must not, however, be any coercion.

We were also pressed to adopt an alternative method for calculating the reserves to be set aside by a credit union, but a detailed analysis covering all Northern Ireland credit unions over the last five years proved the existing arrangements to be by far the most satisfactory.

One or two other matters will no doubt be the subject of continuing consultation with the movement. I am, however, satisfied that the order is flexible enough to accommodate many of these changes if they are shown to be desirable. For example, a few of the large credit unions with full-time staff and computer facilities would like to see increases in the limits on shares and loans, whereas such increases would be a serious embarrassment to smaller credit unions. However, these limits—and such matters as the numbers of members—are matters which can be altered under the order by subordinate legislation.

The order has received a general welcome from the movement and I believe that it provides an equitable foundation from which credit unions in Northern Ireland can continue to grow and prosper, for the good of their members. I commend the order to the House.

4.1 am

Mr. Peter Archer (Warley, West): I hope that I shall not be accused in any quarter of operating a bi-partisan policy if I say that the Opposition welcome the order and have no quarrel with the Government. It is pleasing to see the success of the credit union movement in recent years. We should be grateful for the vision and dedication of those who have steered credit unions to their present numbers and influence.

The Assembly looked closely at the limited questions which arise in relation to the order and was content with the order in its present form. We see no reason to disagree.

4.3 am

Mr. J. Enoch Powell (South Down): During the last debate the Minister undertook to convey the observations by the right hon. and learned Member for Warley, West (Mr. Archer) to his right hon. Friend the Secretary of State. I shall reverse the process and refer the Minister to his right hon. Friend the Secretary of State, in particular to what the Secretary of State said about the renewal of the interim period order. He made a speech which might be likened to a bone on which there was not much meat delectable to those to whom it was offered. But there was a bit of marrow. The Secretary of State said:

"There is . . . a case for making adjustments to the transferred category"—

the category of subjects, legislation on which is dealt with under direct rule by Order in Council—

"by removing matters such as banking, building societies and financial services, where efficiency points to the desirability of United Kingdom-wide legislation and administration by United Kingdom Departments and where the scope for separate legislation or policy initiative by any future devolved administration would be more apparent than real. I am certainly open to argument on adjustments in that direction."—[*Official Report*, 26 June 1985; Vol. 81, c. 977-78.]

If the right hon. Gentleman is looking for arguments for adjustments in that direction, I bring to his attention the strange legislative story behind the Order in Council. First came the 1969 Act passed by the Northern Ireland Parliament under the heading "Industrial and Provident Societies". That created a legislative framework for credit unions in Northern Ireland. It was the first credit unions legislation in the United Kingdom.

Ten years later, the Credit Unions Act 1979 was passed for Great Britain. The credit unions in Northern Ireland took a close and detailed interest in the preparation and discussion of that legislation, and representatives of the Ulster Unionist party who took part in the debates and served on the Standing Committee not only addressed themselves to the provisions of that legislation but sought as best they could to express the opinions and wishes of the credit unions in Northern Ireland. Indeed, I recall that I was addressing the House on Report on that legislation when the explosion was heard which marked the death of Airey Neave. So the 1979 Great Britain Act was in fact a United Kingdom Act—a fact which was marked by its containing what my hon. Friends and I have got into the habit of calling the theft clause after the first Bill in which it was used—a clause enabling legislation to be dittoed for Northern Ireland by means of an order which was prayable but did not require the affirmative procedure.

Now, in 1985, we have an Order in Council which enacts a complete code largely identical with the 1979 Great Britain Act. Indeed, there are only four differences between the code for Northern Ireland and the 1979 Act. I fully accept that technically, and more than technically, the Government were right to say that to make those four differences it was necessary to pass from the negative to the affirmative procedure. I do not dispute that for a moment, nor the Secretary of State's argument to that effect in his letter to my right hon. Friend the Member for Lagan Valley (Mr. Molyneaux). Nevertheless, it is absurd and wasteful for the sake of two or three improvements which I believe will be required for Great Britain in due course to have a completely separate code for Northern Ireland enacted by Order in Council.

I hope that it will not be tedious if I explain to the House what the four differences are. First, the order permits a maximum shareholding of £3,000 compared with a maximum of £2,000 for Great Britain. I think that Great Britain would be well advised to increase its maximum to that now being laid down for Northern Ireland.

The Minister has already referred to the second difference. The order will enable loans to be made for up to a year to a person entitled as a former shareholder to secure those loans although he has ceased to be a member. That is clearly a convenient provision, in view of the mobility of members of credit unions, if they move from a residential area in which they were included within a credit union and need the assistance of a loan during that period. That is a minor advantage, but I believe that Great Britain will need to follow suit in that respect, too.

I am not quite so sure about the third difference—the provision of a two-year maximum period for unsecured loans in Northern Ireland compared with a period of up to five years in Great Britain for secured loans. The greater flexibility that is available under the Great Britain Act is preferable to the limitation that is being enacted in this order. That is the one respect in which we shall probably not gain from the re-enactment of the 1979 code.

The last of the differences is the requirement that loans to minors shall be listed and accounted for separately. That is a wise provision, since the provisions to cover and guarantee the position of minors are different from those that apply generally to members of credit unions. It is right that there should be separate accounting and reporting.

Those three or four minor improvements do not justify a departure from what we thought was continued in the 1979 Act—the principle of a United Kingdom code for credit unions covering the whole country, even though the Northern Ireland element was still in the form of a negative resolution. So from a different point of view we are led back to the indispensability in the long run for Northern Ireland to be legislated for in the same way as any other part of the United Kingdom.

Northern Ireland has been the pioneer of the credit unions movement in the United Kingdom. Most hon. Members with constituencies in Great Britain will be very much surprised, interested in and envious of the vigorous credit unions that occupy a considerable footage in Northern Ireland newspapers. The doings of the credit unions are even more important than the doings of the darts and snooker leagues and are to be found in a prominent position on the middle pages of the local press—a sure sign of that which attracts the interest of the public in Northern Ireland.

However, I do not think that that was sufficient justification for giving up in this context what we felt we had achieved: United Kingdom legislation on one of the matters within the definition set out by the Secretary of State for Northern Ireland in his speech last week, namely, an area where there is manifest convenience in having legislation that covers the whole of the United Kingdom.

I wish to detain the House further on only one or two matters. The Parliamentary Under-Secretary of State for Northern Ireland has referred to two of them, but I was specially asked by the credit unions in my constituency to take this opportunity to raise them.

The Parliamentary Under-Secretary of State dealt satisfactorily with one of the matters about which representations have been made to me. He confirmed that provided no pressure was brought to bear upon members

[Mr. J. Enoch Powell]

of credit unions, there is no reason why the boards of management should not invite members to make contributions and thereby add to their capital reserve fund.

On the capital reserve fund, there is still a difference between my opinion and that of the credit unions in Northern Ireland on the one hand and, on the other, the opinion held by the Government throughout the passage of the 1979 Act. That difference is still represented in this Order in Council—namely, that 20 per cent. of the net surplus to be carried in certain circumstances to reserve is less efficacious than the alternative proposal of 7 per cent. of gross income. The Under-Secretary of State said that statistical investigations had been undertaken into the background of the choice between these two alternatives. Figures have been put to me which appear to lead to the opposite conclusion. With the permission of the Under-Secretary of State I should like to bring them to his attention by correspondence so that the matter can be pursued.

There is a third matter, which I can deal with as follows. There are certain investments, which would otherwise be within the scope of credit unions, which are in practice outside the reach of many of them because the minimum investment which can be made in those directions is too high for the limited resources of the relatively small credit unions. Instances of such investments are the loans which are floated by certain local authorities, where it is not uncommon, I believe, for there to be a £10,000 or even a £20,000 minimum, which would be disproportionately large in the investment pattern of some of the smaller credit unions.

The question has been raised with me whether it is possible under existing legislation or whether it would be possible to contemplate amending legislation whereby unions could join to make joint investments in that type of facility. I believe that the difficulty at the moment is that the part of the investment attributable to each credit union might not be able to be separately identified and accounted for in accordance with the credit union rules. Perhaps the Minister would be good enough to look into that matter.

I hope that the Minister and the House will accept the fact that these matters have been raised and that this order has received scrutiny elsewhere as evidence of the keen interest which credit unions attract in Northern Ireland and of the gratitude which they feel they owe to the House for providing an almost entirely satisfactory legislative framework within which they can conduct their voluntary activities.

4.16 am

Mr. A. Cecil Walker (Belfast, North): I welcome the order, which is necessary to put credit unions on a legitimate and legal footing which will have the approval of everyone in the movement. I support the concept of credit unions, which provide a means of saving and a much better way of buying articles than hire purchase or other high interest schemes.

In the past, some credit unions were run on an ad hoc basis and, as a result, there were failures and bitterness all round. In some cases, there was a paramilitary involvement and funds were used for purposes other than those which were originally intended. I am glad that the order is explicit about factors which should ensure sound credit unions that are properly managed and accountable for their financial and other affairs.

Article 4, relating to registration with 21 members, is a good start. It will give the secretary confidence that he has support in the union. As for article 6, I agree that it is imperative that an acceptable name be registered and that the registrar is consulted in that process. It is important that, in areas where there could be pressure from undesirable groups, unions are regarded as creditable. I am not too happy about the name changing of a bona fide union under article 7. There are too many examples of names being changed to suit financial circumstances. Article 7(1)*(b)*—

"the approval in writing of the registrar"—

is to be welcomed.

On article 9, I am not too happy about rules that might impose fines of up to £100 on members who have contravened so-called rules, especially when they are not set out in the order. Credit union membership is supposed to be a community involvement comprising families in a neighbourhood. I should much prefer such conditions to be left out of rules of membership. If someone transgresses, the committee of members could deal with the matter according to its seriousness and take whatever action was necessary to protect the interests of the union.

On article 10, I agree that it is sound practice that rules cannot be changed unless agreed by two thirds of the membership. As for article 15, it is prudent that a person under 18 should not be a member of the board of directors or of any committee, or a trustee, manager or treasurer of the union. We can get youths as activists and go-getters in any organisation, but wise heads and experience in financial matters are needed in the control of unions.

Under article 16, it is desirable that members should realise that debts incurred will be recoverable through the share capital, which makes for further caution in financial commitments. I am not too happy concerning article 18(3) where a nomination is made to a nominee under the age of 16 years, that

"the credit union may pay that sum to either parent, or to a guardian, of the nominee or to any other person of full age who will undertake to hold it on trust for the nominee to apply it for his benefit and whom the credit union may think a fit and proper person for the purpose, and the receipt of that parent, guardian or other person shall be a sufficient discharge to the credit union for all money so paid."

The union would be abrogating its responsibilities in following such a course. It must give much more thought to this proposed action. In order to protect such moneys from possible misuse, it would be desirable to place these moneys in trust in an authorised bank where they could earn interest for the nominee until he or she becomes of age.

The same would also be desirable for mentally handicapped persons, as outlined in article 20, particularly as, under article 21, the union is protecting itself against any wrong decision in such circumstances. I am pleased that conditions are laid down in article 33 that unions may only invest surplus funds in a prescribed manner. In the past, some unions were attracted by high interest rates only to be conned out of large sums of money by so-called investment brokers and consultants.

I welcome the condition in article 37 that an insurance bond is necessary to protect the union against fraud and dishonesty. This is highly desirable, particularly when

some members may not be resolute or financially experienced enough to be able to reject such schemes designed to relieve them of their capital.

I am pleased that it is now necessary to keep proper books and records and to maintain a satisfactory system of control. The various paragraphs relating to this procedure, from accounts and balance sheets to the obligation to appoint qualified auditors, are to be welcomed. The rights of such auditors in the pursuance of their duties should ensure that credit unions will now have the confidence of all who use them.

Mr. Chris Patten: I very much agree with the tribute which the right hon. and learned Member for Warley, West (Mr. Archer) paid to the credit unions and to those who have steered them to their present success. It was a tribute which was endorsed by the hon. Member for Belfast, North (Mr. Walker) in his interesting speech on the credit unions — imbued, as ever with the hon. Gentleman's contributions to debate, with his own considerable experience. The right hon. Member for South Down (Mr. Powell) set out the legislative history of this order. I am not sure that I can add usefully to what I said about the reasons for proceeding as we have chosen to proceed, but I shall certainly see that the lessons which the right hon. Gentleman draws from this history are conveyed to my right hon. Friends.

The right hon. Gentleman raise three substantive points about the order itself. I should like to confirm, as I said in my speech earlier, that the order does not prohibit purely voluntary donations. However, this fact does not permit a credit union to require its members to contribute additional funds or to raise a levy on members, either directly or by devaluation, which is what it would amount to, of their shares. The ethos of the movement would, in the opinion of my hon. Friend the Minister of State and in my opinion too, for what it is worth, be undermined by such actions, since a member has the right to receive a pound back for each pound share that he holds.

The right hon. Gentleman referred again to a point that I made in my earlier remarks. The order requires every credit union to establish and maintain a general reserve consisting of at least 10 per cent. of its total assets. The general reserve is in effect the solvency cushion represented by the difference between a credit union's assets and its liabilities. It should therefore be established as quickly as possible and obviously it should be maintained at a realistic level.

We have carried out a complete survey of all Northern Ireland credit union accounts. It was done for the last five years and it clearly showed that the 20 per cent. of surplus method of calculating reserves laid down in the order is by far the most beneficial method of calculating reserves. Where the 7 per cent. gross income method put forward by the league, and suggested by the right hon. Member for South Down would in theory have produced greater reserves, the difference in most cases was minimal, and in some cases the credit unions had not the financial facilities to set aside such reserves.

These latter cases are those that the Department studies more closely. It endeavours to find out the reason for the position and then goes on to advise on the remedial action that should be taken to improve it. However, I appreciate that the right hon. Gentleman and the league have done a deal of work on the matter and I should be happy, on behalf of my hon. Friend, to exchange figures with the right hon. Gentleman so that we can enlighten each other.

Finally, the right hon. Gentleman referred to the question whether or not credit unions should be allowed to pool their investments through a central agency. He talked about it, understandably, in terms of joint investments. I confirm that there is absolutely nothing in the order to prevent this, provided that there is no risk to members' money, that the funds of any individual credit union are at all times identifiable and accessible and that the investments are in accordance with those prescribed in regulations. If there are further doubts about that point, or about others, we will be happy to pursue them in correspondence.

I am pleased to have had the opportunity, because of matters entirely beyond my control, to take part in this brief debate, albeit at an hour when most of us would, in normal circumstances, be thinking of getting up.

Question put and agreed to.

Resolved,

That the draft Credit Unions (Northern Ireland) Order 1985, which was laid before this House on 19th June, be approved.

STATUTORY INSTRUMENTS, &c.

Industrial Training

Motion made, and Question put forthwith pursuant to Standing Order No. 79(5) (Standing Committees on Statutory Instruments, &c.)

That the draft Industrial Training Levy (Engineering Board) Order 1985, which was laid before this House on 17th June, be approved.—*[Mr. Mather.]*

Question agreed to.

Schizophrenics (Care)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Mather.]*

4.27 am

Mr. Richard Needham (Wiltshire, North): It is not very often, I suspect, Mr. Deputy Speaker, that you find two unrelated Pattens sitting on the same Bench at half past 4 in the morning. I welcome the arrival of my hon. Friend the Member for Oxford, West and Abingdon (Mr. Patten) to reply to this short debate. I am grateful to my hon. Friend the Member for Bath (Mr. Patten), who suggested over a year ago that I should instigate the debate. I owe much of the information and knowledge that I have gained about the problems of schizophrenia and the problems of parents who have to look after schizophrenic children to a constituent of my hon. Friend the Member for Bath, Mrs. Baker, who is the secretary of the Bath schizophrenia group.

I have been in correspondence with the Department of Health and Social Security on the issue on behalf of one of my constituents for a considerable time. In August 1983 Lord Glenarthur wrote to me, making the following points:

"In the light of comments received on that document"—

he was referring to a document entitled "Care in the Community"—

"we are pressing ahead with a programme aimed at getting out of hospital and into community care as many as possible of those patients who do not specifically require hospital care . . . As you know, the needs of people who are, or have been mentally ill vary greatly. Both local health and social services authorities are obliged to provide care and after-care for these clients. A community psychiatric nursing service is an important component of health service provision in the community. This aims to provide help outside the hospital and so prevent unnecessary admission to hospital and to provide a nursing after-care service following discharge from hospital."

It is that paragraph that I want to bring to the Minister's attention in relation to a case in my constituency. I have an elderly couple in my constituency. The husband is 77 years old. His wife is half a year younger than he is and is bedridden. They are not badly off financially, but the last few years of their lives have in many ways been a living hell as they have struggled to look after their chronically schizophrenic daughter. Two and a half years ago she discharged herself from a mental institution. She then squatted in an abandoned farmhouse, but was finally persuaded to move to a MIND hostel, where she set fire to her bedclothes. It was then agreed mutually that she should return home. Since then she has been living at home. I should say that she had also been living at home on and off before that.

As I have explained, the parents are old and infirm, and what assistance do they get for her care? Once a fortnight they are visited by the community psychiatric nurse, who gives the daughter an injection. The nurse is extremely busy and does not have much time to talk to the parents. That is understandable, and I make no criticism of it. Once every three or so months the head social worker from the local mental hospital comes to visit them. The daughter receives invalidity benefit of £30 to £40 a week and the bedridden mother gets home help five days a week.

Therefore, the sum total of the assistance referred to in the noble Lord's letter is a visit once a fortnight from the CPN — the community psychiatric nurse — who, as I have said does not have much time, and who is changed quite regularly, and that is it. There has been no respite for the parents, according to them, to enable them to get away while their daughter is cared for.

The point that I want to bring to the attention of the House is that chronic schizophrenia is a young person's disease. It strikes between the ages of 15 and 30 and makes no distinction between rich and poor, clever and stupid. One third of those who suffer have a reasonable chance of total remission, one third do not recover, and one third continue to have attacks with varying degrees of intensity.

That most of the patients are better treated outside the confines of long-stay mental institutions is not in doubt. What is in doubt is whether in certain cases the policy of returning to the community is being properly and adequately organised and financed, or whether an increasing and intolerable burden is being placed on the very often aging parents.

What provisions are being made for cases such as the one that I have quoted? I see in his place my hon. Friend the Member for Norwich, North (Mr. Thompson), who also has a great understanding of these problems and whose views are similar to mine on this matter. When will there be individual care plans? When will there be places to which patients can go with their parents to have care dispensed and where the different organisations responsible for patient care can come together to discuss care, provision and future needs so that parent substitutes can be built up, so that general practitioners can feature much more in looking after the problems of the chronically disabled — general practitioners play a vital part in emergencies, but it is often felt by elderly parents that it would be much more useful to have them involved in a more permanent way—and also so that the chances of any likely increase in the suicide rate can be resisted? Parents may feel that without a place which is specifically set aside for them to discuss these matters, the care that their children get and that they can look for is disjointed.

Chronic schizophrenia is a dreadful disease. It is dreadful for the sufferer, as he or she withdraws from the family circle, suffers hallucinations and delusions, hears voices, loses the will to work and suffers acute stress and worry. Physically robust the sufferers may be, but they become mentally wrecked. It is dreadful for the parents as they see the love of their children wither and change. It is dreadful for the parents as their hopes for their children are dashed and as their responsibility for the care of their children increases and the prospect of a peaceful old age recedes.

When one parent was told that his child had chronic schizophrenia, he was advised, "React normally. Try to treat your child as normally as you can, and try to be as normal as you can." After years of care for his child, he said to me, "You have to become abnormal yourself if you are to survive."

The point that I make follows on from the report of the Select Committee on Social Services. It does not seem to be right that in the care of chronic schizophrenics the parents should be other than a bonus in the provision of those services that patients require. They should not be the centre around which the various bodies which are responsible for patients hover uncertainly.

The report of the Select Committee, which was published in January, covers the ground very adequately and puts forward recommendations and solutions. When the Government respond to it, I hope that they will follow the recommendations of the Committee and do so with

urgency. I trust that they will do nothing to close down existing provisions until adequate community provision is demonstrably in place. It cannot be right that very elderly people have their last years ruined by stress and worry because their children, whose love they find fading and withering away, cannot adequately look after themselves and they, the parents, cannot adequately look after them.

Mr. Patrick Thompson (Norwich, North) *rose——*

Mr. Deputy Speaker (Sir Paul Dean): Order. Does the hon. Gentleman have his hon. Friend's agreement to intervene?

Mr. Needham: Yes, Mr. Deputy Speaker.

4.39 am

Mr. Patrick Thompson (Norwich, North): I am grateful for the opportunity to intervene briefly in this short debate in support of my hon. Friend the Member for Wiltshire, North (Mr. Needham). In my short time as a Member of Parliament, I have already come across cases in my constituency identical to those which my hon. Friend described. The matter has also come closely within my experience and knowledge. Therefore, I can reinforce my hon. Friend's description of the great distress and catastrophic effects of this disease on the families of sufferers.

It is right to emphasise that schizophrenia is remarkably common although, for obvious reasons, not widely publicised. The National Schizophrenia Fellowship was formed to support families who face this difficulty and who are not receiving the necessary support. It started with a letter in *The Times* by the founder, and the flood of response to it reflects how common the problem is, yet how little the general public know about it.

My hon. Friend referred to the effects of recent Mental Health Acts, the fact that treatment cannot always be completed and the fact, therefore, that the burden falls back on the family. Therefore, I do not need to deal with that.

Relatives cannot easily cope with the problem, especially elderly relatives. Families find it difficult to put up with the emotional stress and the violence. In supporting my hon. Friend, I encourage the Government to provide understanding and support, and to encourage society also to provide understanding and support for people facing this serious problem. I hope the that the Minister will respond in that spirit.

4.41 am

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. John Patten): It is entirely characteritic of my hon. Friend the Member for Wiltshire, North (Mr. Needham) vigorously to pursue a general point arising from an individual constituency case. I am pleased to visit his constituency from time to time. It is a rare week when I do not reply to at least one Adjournment debate, a rare month when a thousand or more letters do not pass beneath my pen in reply to hon. Membegs' letters about their constituents' health, and an even rarer month when a substantial number of those letters do not come from my hon. Friend. If any Conservative Member could be described as ruthless in the pursuit of Ministers in the interests of his constituents, he can.

I welcome this chance to make four separate points. The first is about the nature of the illness and how disturbing it is; the second relates to developments in national provision; the third to available services in my hon. Friend's area; and the fourth to the invaluable co-operation we have from the voluntary sector. I welcome the attendance and speech of my hon. Friend the Member for Norwich, North (Mr. Thompson), and I shall try to pick up some of his points about the National Schizophrenia Fellowship, if I have time before the clock inexorably brings the debate to an end at 4.57 am.

As my hon. Friend the Member for Wiltshire, North said, schizophrenia is a much misunderstood and maligned illness. The mention of the word creates a wholly unjustified picture of an underlying threat of malevolence and violence beneath some stereotype. Like all examples of stereotyping, which are based on ignorance, the picture is inaccurate, as anyone who has known a sufferer will be aware. In reality, people unfortunate enough to suffer from the illness, seldom present a threat to anyone. They need our sympathy and help, rather than our fear and pity.

It is a severe and potentially disabling mental illness which occurs most commonly in young adults and includes a number of grave, common and usually progressive mental conditions which are grouped together because they show similar disorders of thinking, emotional reaction and willpower. It is a confusing and difficult picture.

It would surprise many people to learn that about one person in 100 is said to suffer from the illness at some time in their lives. With modern treatment, many will improve and their symptoms will remit, but, alas, some will have residual symptoms which will affect them for the rest of their lives.

Hence, there is a long-term problem of the maintenance of schizophrenics in society, be they in establishments or in the community. Though no single theory of the cause has been established, it is possible that there is an inherited biochemical basis for it, possibly precipitated by environmental factors.

The symptoms of schizophrenia result from a disturbance in the normal processes of thinking. That can lead to false beliefs or delusions and false sensory experiences or hallucinations. This may show as the expression of strange ideas, mood swings, irritability, emotional and social withdrawal and disturbed speech and behaviour—a catalogue of great po... difficulties when all those aspects occur together.

How disturbing that must be not only for the individual, particularly during periods of remission, but for the person looking after that individual in the community, be it a parent, a daughter, a son or some other relative. In the way in which many members of our increasing elderly society suffer, for example, from Alzheimer's disease and dementia, so one must think of those who care for them and for people suffering from schizophrenia.

There is a brighter side, too. Research into the illness is proceeding here and abroad and I am certain that we can hope for real progress on that front. But, because at present we do not have the means to cure the illness, it is necessary that the practical needs of sufferers and carers are met and recognised by those who provide services.

Considerable research has shown that the needs of schizophrenic people in the community are not always appropriately met. At the same time, research has made it clear that the problem is not always one of inadequate services or resources. Sometimes it is a lack of co-ordination and planning for the individual.

[Mr. John Patten]

It is easy when speaking of the National Health Service to say that if only there was more money, this or that problem would be solved. On many occasions, I dare say, more money might be the answer, or part of it, but all too often it is a case not of money but of planning and co-ordination between different parts of the NHS. For example, lack of money does not stop us from carrying out more kidney transplants; it is simply that we do not have the donor organs to carry them out. The surgeons, money and wards are there. We are waiting for the organs to be transplanted from those who are good enough to leave them so that others may live or have improved lives.

In the same way, sometimes in the area of mental disorder it is not a lack of resources but the fact that the people who need help are not brought easily enough into contact with the resources. In that connection, I was asked when there would be an individual plan for sufferers. We shall be expecting the NHS, the social services—and the probation service when it is involved—to know of every schizophrenia sufferer of whom we are aware, because we are dealing with individuals, and their needs must be met in relation to the services that are available.

The services exist, but sufferers and their carers are not always appropriately linked to them. Sometimes there is diffidence on the part of people who suffer from schizophrenia to use the services that are available, and sometimes there are problems with those who look after the individuals. That is not to say that the stresses caused within families by the failure to obtain services which are needed are anything other than immense. That is particularly so when the carers are elderly parents, and the prospect of the sufferer being left to cope alone is a constant and unwelcome theme. I recognise that my hon. Friend the Member for Wiltshire, North bases his more general remarks on one specific case where the parents are elderly and must greatly fear not only for their child of the moment but for their child of the future when they are no longer here.

I turn now to service development. As regards the national picture, there is of course a long way to go, but the growth of community services is encouraging. For example, when the Government came into office in 1979, there were just over 1,000 community psychiatric nurses. Now there are about 2,000. That is a modest growth in a group of dedicated men and women who do an enormous amount of good, all too often unsung. On the social services side, people in the community now have the use of nearly 9,000 day centre places—an increase of about 2,000 places over the last five years.

At the same time, we are experimenting in places some way from Wiltshire, North—places such as Hackney, Salford and, a little closer to home, Southampton—in order to try to develop microcomputer systems to co-ordinate after-care services for schizophrenic people living in the community; in other words, trying to hit this planning nail on the head by the use of microcomputers. This is in direct response to the research evidence, and aims to remedy the defects of co-ordination and organisation which I mentioned earlier. We hope that these systems, when successfully developed, will be adopted by other authorities as a means of improving services. The projects are being funded under the "Helping the Community to Care" initiative, involving a considerable amount of expenditure.

That is the national picture of a continuing and sustained growth of psychiatric nurses, community psychiatric nurses, day centre provision and some interesting experiments involving microcomputers to try to plan better for the individual. As to the local picture in Wiltshire and nearby, with respect to psychiatric services in Bath, the Bath district health authority is to provide adequate support in suitable surroundings to patients discharged from the large psychiatric hospitals and to those who would previously have been admitted.

There are schemes jointly planned with local authorities funded from joint finance money in the area. For instance, in Wiltshire certain measures have been taken. A lodging scheme has been set up. This involves finding suitable homes for ex-psychiatric inpatients who are provided with the necessary community support. Day facilities for the mentally ill are being provided at Malmesbury hospital.

The health authority is also engaged in collaboration with the voluntary organisation MIND, which does such excellent work, in providing homes for former psychiatric inpatients in Chippenham. These will be available soon. For the future, it is planned that each small town within the Bath district will have its own day facilities for the mentally ill together with day services for the elderly and the elderly with psychiatric disorders. The health authority is also making more money available for the training of community psychiatric nurses, which is an important aspect, to meet the increased demand which will arise from the discharge of patients to community care.

Meanwhile, in nearby Avon joint moneys are being provided for additional community social workers and for training social workers in mental illness. A lodging service similar to the one in Wiltshire is also being provided.

In all this is the very important provision of respite care for those who look after schizophrenic sufferers. I was disturbed to hear that in one case cited by my hon. Friend respite care apparently had not been offered. I would not wish to enter into discussion of any individual case or any named person in the Chamber. None of us would like our case notes read out to the general public and recorded in *Hansard*. If my hon. Friend will get in touch with me about this, I should like to look into it. To be frank, I was surprised to hear that that was the case, having gone into the issues locally. I hope that my hon. Friend will correspond with me so that I can discuss the matter with my noble Friend Baroness Trumpington, who is responsible for these matters in my Department. It is a formidable task that she bears, characteristically formidably.

My hon. Friend referred to the Select Committee's report. It would be inappropriate for me to anticipate our response, but I should make it clear that the Government welcome the report. I would like the House—and especially my hon. Friend the Member for Norwich, North—to know that we value the role of the National Schizophrenia Fellowship very much indeed. We welcome its code of practice for discharging patients. The Royal College of Psychiatrists is helping to draw that to the attention of psychiatrists. We very much welcome and appreciate our partnership with the fellowship, and our recognition extends to the provision of grant currently at £80,000 a year over three years. It is a substantial sum of money. We have been happy to pay the grant every year since 1976. It is part of about £1 million that we give each year to voluntary organisations dealing with the mentally ill.

Improving services for mentally disordered people is one of our priorities for the health and personal social services. My ministerial colleagues and I are keen to see all parties, statutory and voluntary, working together to plan and provide a full range of local services. I hope that during the next few years we can ensure that the difficult problems that my hon. Friend has raised this evening are dealt with in a way that means that they will no longer need to be brought to the House and the attention of Ministers.

Question put and agreed to.

Adjourned accordingly at four minutes to Five o'clock am.

House of Commons

Thursday 4 July 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

BRITISH RAILWAYS (TROWSE BRIDGE) BILL *[Lords] (By Order)*

YORKSHIRE WATER AUTHORITY BILL *(By Order)*
Orders for Second Reading read.
To be read a Second time upon Tuesday 9 July.

BERKSHIRE BILL *[Lords] (By Order)*
Order for Second Reading read
To be read a Second time upon Thursday 11 July.

SHETLAND ISLANDS COUNCIL (OMNIBUS SERVICES) ORDER CONFIRMATION BILL
Read the Third time, and passed.

Oral Answers to Questions

HOME DEPARTMENT

European Court of Human Rights

1. **Mr. Maclennan** asked the Secretary of State for the Home Department if he is yet in a position to state whether Her Majesty's Government intend to renew in January 1986 the right of individual citizens to petition the European Court of Human Rights; and if he will make a statement.

The Secretary of State for the Home Department (Mr. Leon Brittan): The Government are currently considering the matter.

Mr. Maclennan: Why are the Government not of a final mind on this matter? Why are they seeking to put in doubt the protection of the fundamental rights guaranteed by the convention, which have been protected by the right of individual petition since 1965? Does the Secretary of State accept that that right was intended to supplement the protection of those fundamental rights and freedoms in our domestic courts? Will he consider incorporating the convention and allow that to come to fruition?

Mr. Brittan: The Government are not putting anything in jeopardy. The due date for renewal is January 1986. I assure the hon. Gentleman that a decision will be taken well before then.

Mr. Teddy Taylor: Does my right hon. and learned Friend agree that the European Court has stretched the convention to a quite unreasonable degree by interfering with domestic matters—for example, corporal punishment in our school and the sanctity of our immigration laws? Will my right hon. and learned Friend not close his mind to our withdrawing from that rather ridiculous convention, whereby British issues are being decided by foreign judges who have no knowledge of our domestic affairs?

Mr. Brittan: It is certainly true that the jurisprudence of the Court is extended more broadly than was anticipated 20 years ago. However, the fact is that we are bound by the convention. The question of the right of individual petition is one that must be decided from time to time, and a decision on that will be taken before January 1986.

Mr. J. Enoch Powell: Is it the Government's view that this decision should be debated by the House?

Mr. Brittan: I understand the implication of the right hon. Gentleman's question to be that he thinks that it should be decided by this House. I shall communicate that view to my right hon. Friend the Leader of the House.

Mr. Stanbrook: Instead of accepting the pious platitudes which are so beloved of continental lawyers who know nothing about our system, would it not be desirable for my right hon. and learned Friend to consider a review of all our existing legislation and an examination of whether our machinery for the redress of grievances is adequate? If our legislation could be overhauled so that there was no real criticism of it, there would be no need for individual petition.

Mr. Brittan: My hon. Friend seeks to set me a Herculean task. I am not sure that I would respond to that challenge in a positive way.

Mr. Dubs: Will the Home Secretary confirm that he fully accepts the last decision of the European Court of Human Rights regarding sexual discrimination in our immigration rules? When does he propose to respond to that decision?

Mr. Brittan: I made it clear at the time of the decision that we would take whatever steps were necessary to ensure that we were complying with the convention as interpreted by the Court. I hope to announce our plans for doing so shortly.

Voluntary Service Unit

2. **Mr. Meadowcroft** asked the Secretary of State for the Home Department what representations he has had on the level of funding allocated to the voluntary service unit.

The Minister of State, Home Office (Mr. David Waddington): None, Sir.

Mr. Meadowcroft: Does the Minister accept that there is a great need for co-operation between Departments, and especially with the Department of the Environment, about the urban programme, so that voluntary bodies concerned about the effects of the Government's policies on capital and revenue spending on local voluntary bodies can be taken into account?

Is it not difficult for voluntary bodies to find their way through the maze of differing grants from Departments —for example, section 64 grants from the DHSS as well as the voluntary service unit. Will the hon. and learned Gentleman take the lead in bringing together the

various Departments to assist voluntary bodies to find the best way of obtaining grants for their capital and revenue needs?

Mr. Waddington: The issues raised by the hon. Gentleman in his supplementary question go far wider than the main question. I take his point, but there is an inter-ministerial committee, which I head, which discusses how we can best deal with and respond to the needs of voluntary organisations. The issues raised by the hon. Gentleman will be borne in mind.

Police Car Accidents

3. **Mr. Andrew F. Bennett** asked the Secretary of State for the Home Department whether he will make a statement on the deaths and serious accidents resulting from police car accidents.

The Minister of State, Home Office (Mr. Giles Shaw): A road accident involving serious injury or loss of life, whether to police officers, members of the public, suspects or criminals being pursued, is always tragic and a matter for great regret. Police drivers are trained to a high standard, and it is a basic tenet of training that no emergency is so urgent as to justify an accident.

Mr. Bennett: Does the Minister accept that there is a conflict about the number of accidents that have occurred, in that there have been between 20 and 30 deaths in the past 12 months as a result of accidents within the terms of the question? They are all tragic. Is it not time for a full inquiry into police processes to ascertain whether they always follow the rules which they are given and must observe in chases? Can other measures be taken, such as making the public more willing to secure their cars, to try to prevent many of these accidents happening?

Mr. Shaw: I am grateful to the hon. Gentleman for referring to the co-operation of the public, which I fully endorse. The central statistics cover all accidents from the slightest to those involving injury or death. In 1983 there were 17,000 accidents, from the slightest to the most important. I have asked that we maintain central records of accidents involving serious injury or death. The Metropolitan police figures show that in 1984 there were no accidents following emergency calls, and I suspect that that is an improvement.

Mr. Beaumont-Dark: Is my hon. Friend aware that we are relieved to hear him say that the same laws apply to the police and to the fire brigade as to anyone else? Is he further aware that in my constituency last weekend four people's lives were written off by the fire brigade going to a fire in a warehouse and not to them? Surely it is not fair to leave these decisions to the drivers of police or fire brigade vehicles. They tend to do what they are told, as they should. Should not the police and the fire brigade adopt the view that drunks, break-ins and warehouse fires are not as important as saving the lives of innocent people? Surely the time has come for the police not to speed just to stop a drunk, when innocent lives are often lost.

Mr. Shaw: My hon. Friend is straying a little far in assuming that the police have such precision of knowledge in relation to the person they are pursuing and that fire brigades have similar knowledge about the incidents to which they are called. I accept that the House—my hon. Friend is not alone in being concerned—recognises that in any pursuits, whether the police are pursuing a vehicle which may have been stolen or which may or may not be driven by a drunken person, they have a hazardous task. It is our duty and their duty to ensure that they do not hazard life.

Mr. Soley: I welcome the Minister's commitment to more accurate figures in future. Many people are deeply disturbed about the numbers of accidents, and the Policy Studies Institute has much to say about the possible reasons for them. The police training manual states that no accident and no call is so urgent as to justify an accident. Is the Minister saying that that manual is to be reconsidered and rewritten? Will he give a commitment to the House that the manual will be maintained, that an inquiry will be made into accidents which take place, and that the Government will tell the House what they intend to do in the light of the inquiry?

Mr. Shaw: No hon. Member, least of all myself, would be able to act as a judge in relation to the many incidents to which the police are required to respond. Many which are thought to be in the emergency category turn out in due course not to be of that nature. However, all the police respond to a given call. I understand that the hon. Gentleman wishes to maintain the highest possible standards in training and execution, and that must mean taking better note of the statistics to which we have been referring.

Litter

4. **Mr. Favell** asked the Secretary of State for the Home Department what information he has as to the number of convictions for offences under the Litter Acts for each year since 1983; and if he will indicate separately the number of convictions which resulted from the institution of proceedings by the police.

The Parliamentary Under-Secretary of State for the Home Department (Mr. David Mellor): In 1983, the last year for which figures are available, there were 1,685 convictions under the Litter Acts, of which 1,640 followed prosecutions by the police.

Mr. Favell: Does my hon. Friend agree that it is up to the police to enforce these Acts? One cannot expect a refuse collector or street cleaner to effect a citizen's arrest of someone throwing litter around. Does he also agree that there ought to be many more prosecutions of and stinging fines on people who are making our country one of the dirtiest in Europe? We are in danger of winning that award. The sooner we do something about it the better, because many people are fed up to the back teeth with wading ankle-deep through beer cans, fish and chips wrappers, newspapers and the like.

Mr. Mellor: From what my hon. Friend has said, I appreciate that there is a great deal of support for the proposition that we would do well to become a much cleaner country. The Government share that view, and the Department of the Environment supports the Keep Britain Tidy group and others whose aspirations are entirely in line with what my hon. Friend has said.

The use of the police must be a matter for the priorities drawn up by chief constables. It would be quite wrong for us to insist upon the police taking a higher profile on litter

if it was done at the expense of burglaries and other street crimes which cause equal—I suspect greater—concern at the present time.

Mr. Michael McNair-Wilson: Do community service orders cover the collection of litter?

Mr. Mellor: I cannot say whether there is a community service scheme that does. I suspect not, because the collection of litter is part of the duties of local authorities. Perhaps my hon. Friend has some ideas to that effect. The aim of the community service scheme is to provide useful community work, and that would seem to be a candidate.

Crime

5. **Mrs. Clwyd** asked the Secretary of State for the Home Department if he has any further proposals to reduce the incidence of crime.

Mr. Brittan: The various preventive and other measures which we are taking under my crime strategy hold out the best prospect of reducing crime. We shall continue to pursue them vigorously. In particular, I am encouraged by the 11 per cent. fall in domestic burglaries in January to March this year, compared with the same period last year, in the police areas covered by the "Magpies" crime prevention campaign. This compares with a 0·7 per cent. increase elsewhere.

Mrs. Clywd: How many men compared with women received prison sentences in the last year for which the right hon. and learned Gentleman has figures available? Can he explain why far heavier doses of behaviour-controlling drugs are given to women in Holloway than to men in any male prison.

Mr. Brittan: I do not have the figures to hand, but I shall write to the hon. Lady and give them to her.

Mr. Marlow: What would be the likely effect on the level of crime if the Miners' Amnesty (General Pardon) Bill in the name of the right hon. Member for Chesterfield (Mr. Benn) were to be passed, given that the burden of that Bill is that people will be entitled to commit murder provided it is in pursuit of objectives that are central to those of the national executive of the Labour party?

Mr. Brittan: The passage of that Bill would totally undermine confidence in the rule of law. Indeed, its introduction casts severe doubt on the commitment to the rule of law of those who favour it.

Mr. Janner: In his efforts to reduce crime, does the right hon. and learned Gentleman place importance on the presence on the roads of motorised vehicles, panda cars and motor cycles? If so, is it true, as I have heard, that instructions have this week gone out from the Metropolitan police to highway patrols and other motorised units to reduce the amount of mileage covered by each vehicle, other than in emergencies, by an enormous amount—in some cases as high as 20 per cent.? If that order has gone out, will the Home Secretary take steps to see that it is revoked?

Mr. Brittan: Many people regard the move to have policemen on foot as opposed to being in panda cars as one to be encouraged. Of course cars have an important role, but I think that the hon. and learned Gentleman should not be too anxious about reducing the number of cars in the Metropolitan police area when he takes into account the fact that 50 million miles of car driving by the police took place last year.

Mr. Spencer: Does my right hon. and learned Friend agree that pilot schemes involving the interviewing of suspects being tape-recorded, such as we have in Leicester, have been very successful? Early police misgiving has been overcome. Does he also agree that this contributes to a reduction in the incidence of crime? Can he give the House an indication of when the pilot schemes will be extended?

Mr. Brittan: My hon. and learned Friend is entirely right. I have not seen the Leicester scheme, but I have seen and spoken to those involved in a similar scheme in another part of the country. The schemes are extremely encouraging. I think that they will avoid damaging and untrue accusations being made against the police, save police and court time, and lead to more pleas of guilty. The knowledge that the criminal justice system will be improved in that way will be beneficial. I cannot give dates as to when the scheme will be extended, but of course my hon. and learned Friend will be aware of the commitment to do so in the Police and Criminal Evidence Act 1984.

Mr. Kaufman: Does the Home Secretary expect crime rates to fall to the level at which they were when the Labour Government left office?

Mr. Brittan: As the right hon. Gentleman will be aware, the average annual increase in total recorded offences went up in the 10 years to 1984 by about 6 per cent. As there has been a steady increase in crime since the early years of this century, he will realise that the question is rhetorical.

Licensing Laws

7. **Mr. Robert B. Jones** asked the Secretary of State for the Home Department what representations he has received following his statement of 6 June on the licensing laws.

Mr. Mellor: Since 6 June we have received four letters from hon. Members on behalf of constituents and six from members of the public. Of the 10, five supported relaxations in the law relating to permitted opening hours and five were against any change which extended the present closing time of public houses. Ministers have derived great benefit from this correspondence.

Mr. Jones: I am grateful to my hon. Friend for that reply. Does that not confirm that constituents make representations direct to their Members of Parliament rather than to his Department? When can my hon. Friend give an assurance that the licensing privileges enjoyed by hon. Members will be applied to ordinary members of the public?

Mr. Mellor: That matter has been under consideration for some time. I hope that it will be possible to make a decision on it when we have finally evaluated the report on the Scottish survey, which has considered the situation prevailing in Scotland where licensing hours are much more generous.

Mr. Alexander: Does not the current tourist season emphasise the enormous need for a relaxation of the licensing laws? Would it not benefit not only tourists but

our wine industry and the British people themselves if we were to have a sensible relaxation? My hon. Friend has referred to the Scottish experiment. When will we have official figures about what is happening there?

Mr. Mellor: I hope that the figures will become available by the autumn, although it is a matter for my right hon. Friend the Secretary of State for Scotland, not for me. There is a strong case for doing this. My hon. Friend has made the point compellingly. Other hon. Members feel equally strongly that the problems of alcohol abuse are such that any change in licensing hours should be the subject of the most careful evaluation. That was the view of the Expenditure Committee when it considered the matter in 1977. We shall try to make progress after we have had a chance to consider the Scottish report, which should shed light on what I regard as a difficult matter.

Mr. Maclennan: Do the Government hope to legislate on the subject in this Parliament?

Mr. Mellor: That is not a matter for me.

Prison Medical Service

8. **Mr. Galley** asked the Secretary of State for the Home Department whether he is satisfied with the operation of the prison medical service.

Mr. Mellor: Yes, Sir, although we recognise the need for improvement in some areas.

Mr. Galley: I am grateful to my hon. Friend for that reply. Is he aware of the growing evidence of the inadequacy of the treatment and facilities available to the prison medical service? Is he further aware of the great concern of the Select Committee on Social Services in its recent inquiry into the misuse of drugs, in which evidence was received that the only treatment available to many drug addicts in prison was cold turkey and that the clinical guidance to prison medical officers was not being implemented? Will he assure the House that further steps will be taken to include treatment for drug addicts and the implementation of the clinical guidance?

Mr. Mellor: The basis upon which medical officers operate in prison is no different from the basis upon which doctors operate in the community. They use their clinical judgment. It is not for us to issue diktats to that effect. However, we wish to ensure that we have a properly resourced and highly competent and proficient prison medical service. As I acknowledged in my initial reply, there is always room for improvement. We shall look at the Select Committee's report and see whether it is on the right track. We shall make our response in due course.

Mr. Tony Lloyd: Is the Under-Secretary of State aware that the prison medical service refuses to pass on medical information about prisoners when they leave its care? The medical records of one of my constituents who committed suicide in a National Health Service hospital had not been transferred from the prison medical service. Does he agree that that is unacceptable, that it serves nobody's interests and that it can severely affect the care of patients?

Mr. Mellor: It would be wrong of me to comment upon an individual case about which I had not heard until the hon. Gentleman raised it. If he cares to write to me about it, I shall look into it. The same rules apply to the transfer of a prisoner from one doctor's list to another as apply to the generality of the community. If there is evidence that the normal rules are not being applied, I shall want to look at it. Perhaps the hon. Gentleman will let me know.

Sir John Farr: I recognise the skill and expertise of the prison medical service, but can my hon. Friend confirm that in a special case where a certain skill is required from outside the service there is no hesitation about obtaining it?

Mr. Mellor: I am grateful to my hon. Friend for raising that point, because it shows the care with which the prison medical service approaches its task. A panel of outside consultants is available to see prisoners. No fewer than 98,000 referrals to external consultants were made in the last year for which figures are available, 1983. That shows just how much care is exercised.

Mrs. Renée Short: If the Under-Secretary of State is satisfied with the prison medical service, he must be about the only chap who is. Is he aware that the British Medical Association has received an enormous number of complaints from prisoners and former prisoners about the way that they have been treated in prison? The Select Committee intends to look at the prison medical service. I hope that we shall get a better response from him when it does.

Mr. Mellor: I do not think I made the remark that has been attributed to me by the hon. Lady. However, I am satisfied that the prison medical service is provided with better resources and is better able to cope with the demands of the prison population than it was in the days when the Labour Government were in office.

Peacock Committee

9. **Mr. Freud** asked the Secretary of State for the Home Department whether the Peacock committee intends to publish an interim report on the progress of its inquiry into the financing of the BBC.

Mr. Giles Shaw: Such questions are for the committee to decide, but my right hon. and learned Friend has not asked for an interim report; nor, I understand, does the committee at present anticipate producing one.

Mr. Freud: Is the Minister of State aware of the damage that is done both to the BBC and to ITV by uncertainty about their future funding and markets? What makes him believe that Peacock will be able to reach a decision so very much more quickly than Annan on the same sort of problem? Will he assure the House that the committee has sufficient finance to allow it to look at the effects on public service broadcasting when it has to compete for commercial revenue?

Mr. Shaw: I remind the hon. Gentleman that the committee has not been asked to make a decision. It is being asked to provide a range of options for my right hon. and learned Friend in relation to possible alternative sources of finance. In that respect the committee is quite unlike the Annan committee, which was required to take a broad view of broadcasting issues. The committee is on schedule to report by the beginning of next year. I take note of the hon. Gentleman's view that there is uncertainty, but I remind him that my right hon. and learned Friend recommended, and the the House accepted, a licence settlement which could have a three-year reign.

Mr. Brinton: Does my hon. Friend agree with me that, rather than contemplate interim reports from the Peacock committee, we should look ahead to the report that is to come to Parliament, with Parliament and the Government then evolving for the first time a complete policy for public service broadcasting?

Mr. Shaw: I understand my hon. Friend's view. He can rest assured that the options which are to be provided by the Peacock committee will undoubtedly lead to discussions. I am sure that my right hon. and learned Friend will wish to involve the House at the appropriate stage.

Mr. Faulds: Does the Minister of State understand that many hon. Members will have little regard for whatever may be the findings of the Peacock committee, in view of the poor quality and subtle loading of its membership, in contradistinction to the excellent membership of the Annan committee?

Mr. Shaw: I take note of the hon. Gentleman's pre-emption of the quality of both the committee and its findings.

Mr. Stokes: In considering the financing of the BBC, will the committee take into account the enormous libel damages which the BBC is able to stand, which in the end fall on the taxpayer, and which mean that the BBC can libel anyone it wants to its heart's content?

Mr. Shaw: The point that my hon. Friend raises does not come within the terms of the committee's inquiry, which is confined to looking at options for financing, rather than at what the corporation might do with the money with which it is financed.

Mr. Kilroy-Silk: Why do the Government persist with this farce, when all the evidence shows clearly and convincingly that the introduction of even a small amount of advertising on the BBC would have serious financial consequences for the independent companies, could be potentially calamitous to independent local radio and regional newspapers and would lower programme standards both of the BBC and the independent companies? What is the ideological motivation for this vendetta on the part of the Government against the BBC?

Mr. Shaw: It stems from a not unnatural reluctance to accept the word of the hon. Gentleman as really being the fact in this issue. We have appointed a distinguished body of people to examine the actuality of the case and to offer different opinions on the options provided. In that way we shall arrive at a considered judgment, which, I am sure, is not the way in which the hon. Gentleman would like to see things happen.

London (Policing)

10. **Mr. John Hunt** asked the Secretary of State for the Home Department what recent meetings he has held with the Commissioner of Police of the Metropolis to discuss the likely impact of cash limits on policing in London; and if he will make a statement.

11. **Mr. Peter Bruinvels** asked the Secretary of State for the Home Department when he last met the Commissioner of Police of the Metropolis; and what matters were discussed.

Mr. Brittan: I last met the Commissioner on 1 July, when we discussed recent developments in relation to terrorism and the Metropolitan police cash limit.

Mr. Hunt: If, as we are told, the purpose of cash limits is to facilitate tax cuts in due course, will my right hon. and learned Friend take it from me that the great majority of my constituents would much prefer even more resources being devoted to the Metropolitan police and even better protection for their homes and families than a penny off the standard rate of income tax?

Mr. Brittan: The purpose of cash limits is not what my hon. Friend said it was. It is to ensure that people live within their means, whatever those means are. The question of the level of resources that should be made available is a different matter. As the House will know, the level of resources made available to the Metropolitan police is higher than it has ever been, and rightly so.

Mr. Bruinvels: Will my right hon. and learned Friend confirm that when he last met the Commissioner he found that morale in the Metropolitan police was extremely high, despite the carping and anti-police behaviour of the GLC police committee, which spends £1 million a year knocking the police all the time? Is it not a fact that the achievements of the Metropolitan police against terrorism have come about solely as a result of the police supporting the Prevention of Terrorism Act, a measure which the Labour party never seems to have supported?

Mr. Brittan: My hon. Friend is entirely right, and I do not believe that the police are put off their job for a single moment by the activities and antics of the GLC, which we discussed at some length last Friday. I welcome again the opportunity to congratulate the Metropolitan police and all the other police forces involved on their successes of the last couple of weeks in the campaign against terrorism. The Prevention of Terrorism Act has an important role and I hope that when these matters come to be considered again the Opposition will come to a wiser conclusion than has been the case in the last couple of years.

Mr. Winnick: In view of the persistent abuse, racial and obscene remarks and disruption levelled at speakers at Hyde Park, and clearly organised by some members of the Young Conservative movement in Greater London—*[Interruption.]*—will Ministers, and particularly the Prime Minister, make it clear to those Conservative activists who have only contempt for free speech and fair play that they should not act like storm troopers?

Mr. Brittan: The hon. Gentleman's observations are a classic example of diversionary tactics brought about by his dislike of the fact that the GLC has been exposed for what it is.

Mr. Ian Lloyd: My right hon. and learned Friend will of course be aware by now of the considerable concern caused by the enunciation by a chief inspector at Heathrow of the rather strange doctrine that a jocular remark has now become a criminal offence. Has this matter been discussed with the Commissioner of Police of the Metropolis, either previously or when my right hon. and learned Friend last met him?

Mr. Brittan: I did not discuss this matter with the metropolitan Police Commissioner when I met him on 1 July, but I have to say to my hon. Friend and to the House that I do not think that jokes in relation to bombs and terrorism can or should be treated lightly.

Mr. John David Taylor: When the Home Secretary discussed terrorism with the Commissioner, did he discuss the bomb that was found recently in the Rubens hotel, and was the Commissioner able to advise the Home Secretary from which country the detonators and explosive came?

Mr. Brittan: The answer to the first question is that I did discuss that bomb. The answer to the second question is that I cannot say anything further without being in breach of the sub judice rule.

Mr. Bill Walker: When my right hon. and learned Friend next meets the Commissioner, will he thank him and all those who took part in the recent operations, and will he draw to his attention the fact that the Strathclyde police were able to——

Mr. Speaker: Order. I give the hon. Gentleman a warning. The question concerns London.

Mr. Bill Walker: Yes, Mr. Speaker. I refer to the police who were involved in all these operations. The point I am making is that the terrorists were arrested under powers contained in the Criminal Justice (Scotland) Act 1980.

Mr. Brittan: I think that my hon. Friend has in mind the fact that the Metropolitan police, in their recent operation, were working in co-operation with many other police forces. I would certainly be happy to specify in particular the Strathclyde force as one that played an extremely important part in the operation.

Miss Hilda Murrell

12. **Mr. Dalyell** asked the Secretary of State for the Home Department whether he has received a copy of the report of Assistant Chief Constable Peter Smith to the West Mercia police on the case of the late Miss Hilda Murrell; and if he will make a statement.

Mr. Giles Shaw: Yes, Sir. Mr. Smith's findings, which he has now presented to the chief constable and to West Mercia police authority, confirm the unsubstantiated nature of the considerable speculation which has arisen in this case.

Mr. Dalyell: In my recent Adjournment debate I asked careful questions about Sir Robert Armstrong and Mr. Gary Murray. [HON. MEMBERS: "Reading."] What is the Cabinet Secretary's connection with Zeus Security, outlined in the *Daily Star* of 13 June? [HON. MEMBERS: "Reading."] Does Zeus Security use subcontractors for Government work, and is there truth in Mr. Murray's claim that he was recruited for duties with a specialist Government intelligence department——

Mr. Speaker: Order. The hon. Gentleman is very experienced. He must not read his question.

Mr. Dalyell: I am framing the question extremely carefully. Was Mr. Murray recruited for duties with a specialist Government intelligence department on a consultancy basis?

Mr. Giles Shaw: The hon. Gentleman, in the course of the Adjournment debate on 26 June, asked me 73 questions. I am not impugning one bit any of the hon. Gentleman's motives, but one of the questions related to the involvement in any way of British intelligence security, and the hon. Gentleman would know that that was an issue raised in the Adjournment debate on 19 December 1984 as well as in the Adjournment debate on 26 June this year. The hon. Gentleman received a categorical answer from me that in fact Sir Robert Armstrong had been involved in the investigations conducted by Assistant Chief Constable Smith, and I gave the categorical assurance, which Mr. Smith has now endorsed, that there was not a shred of evidence that British security operations were in any way involved in this affair.

Immigration (Primary Purpose Rule)

13. **Mr. Pike** asked the Secretary of State for the Home Department if he will consider amending the primary purpose rule.

Mr. Waddington: The Government see at present no need to amend the primary purpose rule. This rule and the other requirements for men seeking entry on the basis of marriage are necessary safeguards against the use of marriage to secure admission by those who would not otherwise qualify to come.

Mr. Pike: Will the Minister recognise that this rule probably causes more anguish and heartache than any other rule of immigration policy? Should not an immediate change be made to allow these husbands-to-be to come and join their prospective wives in this country?

Mr. Waddington: I am sure that the vast majority of people in this country realise that it would be absurd, after having said that no young men should be able to come here without skills and go straight on to the labour market at a time of high unemployment, if we allowed the same young men to come here by using marriage as a device.

Mr. Meadowcroft: Is the Minister aware that the difficulty with the primary purpose rule, which causes so much anguish, is that it is not an objective test? It depends upon how an immigration officer feels. People trying to enter this country cannot determine how to answer questions. I hope the Minister will accept that it is impossible for people trying to enter this country to prepare themselves for the kind of questions that might be asked. The rule is monstrously unfair because it does not take account of the different cultures and the genuine need that people have to come here to join their families, set up families and enjoy security.

Mr. Waddington: If it is so difficult to satisfy an entry clearance officer that one is entitled to enter as a husband, is it not extraordinary that over half the husbands who apply for entry are granted permission to come here?

Mr. Proctor: Has my hon. Friend noticed how the vast majority of the Opposition always want to increase immigration, when the vast majority of people in this country want to see it decreased?

Mr. Waddington: I am sure my hon. Friend is correct when he says that the vast majority of people in this country know well that we must have firm immigration control. The Government stand by that, and I can imagine nothing more irresponsible than the statements that have been coming from the Opposition Front Bench that if they came into office they would repeal the Immigration Act 1971.

Mr. Dubs: The Minister used the expression "marriage as a device." Will he make it clear that we are talking

about genuine marriages, where the primary purpose rule is used merely by Home Office and Foreign Office officials to pry into the motives for a marriage and make an arbitrary decision to exclude husbands? Will he confirm that we are talking about marriages which are, in all respects, genuine and proper?

Mr. Waddington: We are talking about marriages where the primary purpose of the person applying is to get here. I repeat what I have said. It is an abuse of the institution of marriage if people enter into marriages merely to enter a country such as ours.

Mr. Faulds: On a point of order, Mr. Speaker.

Mr. Speaker: Order. Later.

Metropolitan Police (Expenditure)

15. **Mr. Greenway** asked the Secretary of State for the Home Department how much was spent on the Metropolitan police in real terms in 1969, 1974, 1979 and 1984; what is the projected expenditure for 1985; and if he will make a statement.

Mr. Brittan: The force's provisional outturn for 1985-86 is £726·1 million. This compares in real terms with £382·5 million in 1969-70, £508·7 million in 1974-75 and £579·4 million in 1979-80. The force's cash limit for 1985-86 is £763·2 million.

Mr. Greenway: May I congratulate my right hon. and learned Friend on those splendid figures? Does he agree that it is clear that it is Conservative Governments who put real resources into fighting crime, including terrorism, in the metropolis, but that it is the Labour party which always knocks the police and starves them of the resources necessary to do the job?

Mr. Brittan: That is entirely true. The only addition I would make is that it is not just in the metropolis that we have provided the resources.

Mr. Tony Banks: Will the Home Secretary explain, therefore, why, with all the additional resources being pumped into the Metropolitan police, the crime rate in London has continued to increase?

Mr. Brittan: The hon. Gentleman will be aware of the answer that I gave earlier about the trend over a long period of time. The lower increase recorded in the country as a whole in the first quarter — a small fall when normal seasonal variations are allowed for — is mildly encouraging.

Scotland (Licensing Laws)

17. **Mr. Knox** asked the Secretary of State for the Home Department what representations he has received about the implications for policy towards changes in the licensing laws in England and Wales of the recent Office of Population Censuses and Surveys' report on drinking habits in Scotland.

Mr. Mellor: We have received no representations relating to the recent OPCS report.

Mr. Knox: Is my hon. Friend aware of the high level of satisfaction among Scottish people with their present licensing laws? Does he think that there is a similar level of satisfaction in England and Wales, and how can he justify the fact that the licensing laws are more liberal in Scotland?

Mr. Mellor: All the opinion polls have been so busy in Brecon that it is hard to give a conclusive view, but I am aware that there is a case for changing the law and we have it under very active consideration.

PRIME MINISTER

Engagements

Q1. **Mr. Hirst** asked the Prime Minister if she will list her official engagements for Thursday 4 July.

The Prime Minister (Mrs. Margaret Thatcher): This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today.

Mr. Hirst: Is my right hon. Friend aware that seven new production records have recently been established by the steel workers at Ravenscraig and that this plant has achieved a British Steel Corporation productivity record of 3·14 man hours per tonne? Will she join me in welcoming those achievements by a management and work force which, despite all the difficulties of the past 15 months, have steadfastly concentrated on improving the productivity of that plant?

The Prime Minister: I gladly join my hon. Friend in congratulating the workers of Ravenscraig on that magnificent record and on the way in which they kept going during the miners' strike.

Mr. Faulds: Will the Prime Minister take time today to consider a matter that has already been discussed at Question Time? That is the Prime Purpose rule. Does she accept that the prime purpose of marriage is procreation? That being so, does she agree that it is utterly iniquitous that men, who have produced babies by women entitled to live in this country, and have gone through the marital rites, are not allowed to join their wives and families in this country and become British citizens?

The Prime Minister: I think that the hon. Gentleman has a very limited idea of marriage.

Mr. Grylls: Does my right hon. Friend recognise that small, new and growing firms have played a significant role in the improved unemployment figures announced today, but that they still face many obstacles and burdens despite the Government's valiant efforts to remove them? Will she do all that she can to speed up the review of those burdens so that they can be removed?

The Prime Minister: Small firms have an excellent record, especially in creating new jobs. We are looking at the regulations which still obtain and I hope that the results of that scrutiny will be published before the summer recess.

Mr. Kinnock: I welcome the downturn in unemployment trends, small though it is, but does the Prime Minister recall saying five weeks ago that she was

"concerned, mystified and very disappointed"

that unemployment was still so high? In view of that feeling on her part, has she any new policies to announce today which will ensure that the small fall in unemployment is accelerated and greatly increased in the coming months?

The Prime Minister: I am glad that the right hon. Gentleman welcomes the small downturn. He will be

aware that a major new policy was announced in the Budget, and further details were given this week, of the extension of the youth training scheme to two years. It is a matter of great regret that the Opposition carped and criticised instead of welcoming that great help to our young people.

Mr. Kinnock: That does not change the fact that today's fall in the unemployment figures is rather small and shaky. We should not have to wait until the Budget takes full effect, as there is so much else that the Prime Minister could do. There is plenty of work to do and plenty of people who want to do it. Why does the right hon. Lady not do the sensible thing and bring them together? If she wants to start a real recovery, why does she not listen to the managers and business men, who are telling her to stop getting rid of the investment allowances, to sponsor new public investment and to get interest rates down?

The Prime Minister: What the right hon. Gentleman is recommending is reflation. On another occasion, he would be criticising the level of inflation. He really must make up his mind.

Mr. Ralph Howell: I join the whole-hearted welcome for the fall in unemployment. Is my right hon. Friend aware that only 499,000 of those currently unemployed have taken the trouble to register at a jobcentre? Will she take urgent steps to reform the unemployment accounting system and the statistics so that only those who are genuinely seeking work figure in the statistics?

The Prime Minister: These unemployment statistics are compiled on exactly the same basis as previous unemployment statistics. The last change in the way in which the statistics were compiled was made in 1981, for reasons which were given then. We are anxious to secure employment for those on the unemployment register who are genuinely seeking work.

Q2. **Mr. Dobson** asked the Prime Minister if she will list her official engagements for Thursday 4 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Dobson: Is the Prime Minister proud or ashamed of the fact that at the end of the United Nations Decade for Women no fewer than 93,000 women in England and Wales are awaiting gynaecological operations in hospital and that more than 18,000 of them have been waiting for treatment for more than a year?

The Prime Minister: There has been a tremendous improvement in the National Health Service under this Government. I will gladly compare our record with that of the last Labour Government, who, when they were in financial difficulty, had to cut the NHS and cut capital expenditure on it.

Mr. Alexander: Has my right hon. Friend had time to read this month's *Country Landowner*, in which full details are given of a proposed ten-minute Bill to be introduced by the right hon. Member for Chesterfield (Mr. Benn) which would nationalise four fifths of agricultural land? In view of the fact that, at Brecon and Radnor at the weekend the Leader of the Opposition said that there was no prospect of Labour nationalising agricultural land, is not the so-called unity of the Labour party about which we are told a sham and purely for the electors?

The Prime Minister: I must confess to my hon. Friend that I have not had time to read that journal. I join him in believing that the Labour party will never have a chance to put those policies into operation.

Mr. John Morris: Has the message reached the Prime Minister that the number of people who admire her in the constituency of Brecon and Radnor are of a somewhat endangered species? Is she now minded, at this late hour, to send a message of cheer to the hapless Conservative candidate by announcing her resignation?

The Prime Minister: The right hon. and learned Gentleman forgets that we often have Bills to protect endangered species.

Q3. **Mr. Freeman** asked the Prime Minister if she will list her official engagements for Thursday 4 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Freeman: Has my right hon. Friend had time to study the statement from the National Coal Board confirming investment in new pits and the creation of 7,000 new jobs? Is that not the constructive way to proceed in the industry, rather than with the threats of a massive pay claim that are coming out of Sheffield?

The Prime Minister: Yes, Sir. The Government's policy has been to build a profitable coal industry by making excellent investment in profitable pits. That is the way to provide security of jobs in a future profitable industry, and that way is firmly endorsed by the majority of our people.

Q4. **Mr. Willie W. Hamilton** asked the Prime Minister if she will list her official engagements for Thursday 4 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Hamilton: Has the Prime Minister's attention been drawn to the recent report from Companies House showing that more than 300,000 companies out of an active list of about 800,000 are disobeying the law by failing to return their annual accounts? Since the Prime Minister is so fond of preaching about the rule of law and its observance by us all, what is she doing about those companies?

The Prime Minister: That is not a matter for me. It is a matter for enforcement. I should point out to the hon. Gentleman that trade unions are not quick to return their accounts.

Mr. Ashby: Has my right hon. Friend seen the policy of the Leader of the Opposition for reducing unemployment, in which he said that he would keep children at school for much longer and retire people much earlier, without producing one extra new job? Does that not show that the Labour party's policies are an absolute farce?

The Prime Minister: The Labour party's policies consist of spending more money but not knowing where it will come from. I note that in the book "Inside the Treasury", published after the election, Lord Barnett, then Joel Barnett, said:

"The Labour Government of 74-79 had a financial task rendered impossible by pledges foolishly made without any serious thought as to where the money would come from. . . You name it, we were pledged to increase it."

Q5. **Mr. Gould** asked the Prime Minister if she will list her official engagements for Thursday 4 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Gould: Does the Prime Minister recognise that each 1 per cent. reduction in the inflation rate since she came to office has been bought at the cost of 750,000 jobs destroyed? However unlikely her target of 3 per cent. inflation now appears to be, can she tell us how many more jobs she would be prepared to sacrifice to reach that target?

The Prime Minister: The hon. Gentleman must know that there is no such trade-off — [HON. MEMBERS: "Oh!"] There is no such trade-off in the longer run. If he is seeking to increase inflation to the Labour Government's record of 27 per cent., let him say so now.

Mr. Leigh: Will my right hon. Friend close the loophole in the Trade Union Act 1984, which allows Mr. Arthur Scargill to preserve his life presidency of the NUM by dint of depriving himself of his casting vote? Will she thus stop this petty dictator treating democracy with a contempt more reminiscent of ancient Rome than of modern Britain? Let there be a ballot now in the NUM. Let it be statutorily enforced and let it be conducted preferably by secret postal ballot, which the militants fear most of all.

The Prime Minister: My hon. Friend makes his point very vigorously, and I have taken note of it. I hope that others will, too.

Q7. **Mr. David Atkinson** asked the Prime Minister if she will list her official engagements for Thursday 4 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments go.

Mr. Atkinson: Will my right hon. Friend assure the House that there will be no independent action by British Airways to boycott Beirut airport without concerted action by the seven states meeting next week to discuss ways of preventing hijacking by terrorists?

The Prime Minister: British Airways does not fly into Beirut. We agree with the Bonn convention, which called for a suspension of air services to countries which fail to take action against hijackers. We are now considering whether we should boycott Beirut airport completely by refusing to take aircraft that have come from Beirut. We shall seek to do so in the first place through the Bonn meeting next week.

Mr. Alton: Is the Prime Minister aware that, earlier today, a group of Liverpool parents protested outside the offices of Liverpool education authority about the cynical manipulation of their children? Is she aware that last night children as young as six years were given political propaganda to take home advocating defiance of the law? Does she agree that the misuse of children in that way——

Mr. Speaker: Order. Is this the Prime Minister's responsibility?

Mr. Alton: Yes, Mr. Speaker, because the breaking of the law in Liverpool and the making of an illegal rate in defiance of Government legislation must damage the interests of local people and Liverpool ratepayers.

The Prime Minister: I understand the hon. Gentleman's grave concern about the misuse of children. I understand that many complaints have been made. Such activity will come within the remit of the Widdecombe inquiry. I hope that the matter has been referred to it.

Mr. Heffer: Will the right hon. Lady ignore the utter rubbish and nonsense from the Liberal Benches in this connection?

What contribution does the right hon. Lady think she made when she went on Mexican TV, which was well reported in Liverpool and elsewhere following the Brussels tragedy, and said that the people of Liverpool were violent and that Liverpool was a violent city, and had been for a long time? How can denigrating our people attract industry to Merseyside?

The Prime Minister: I hope the hon. Gentleman can explain how the behaviour of the present local authority can attract industry to the area — *[Interruption.]* The urban development corporation is attracting help for Merseyside, but the difficult local authority is doing nothing to help the creation of jobs there.

Teachers' Dispute

3.31 pm

Mr. Giles Radice (Durham, North) *(by private notice)* asked the Secretary of State for Education and Science if he will make a statement on the teachers' dispute following the failure of the management panel of the Burnham committee to put any proposal to the teachers' panel.

The Secretary of State for Education and Science (Sir Keith Joseph): We are all surely very unhappy that this long dispute continues. I intensely want to see pupils receiving uninterrupted education, but the Government have wide economic obligations and are not willing to make extra resources available for teachers' pay unless those extra resources would be used to make progress towards our objectives for improving educational standards. That means improving promotion prospects and giving better rewards to good quality teachers.

Last July—a year ago—I made plain my willingness to help progress in this area. On 21 May this year I made plain the Government's willingness to provide extra resources for teachers' pay next year for this purpose. I repeated that offer in meetings with the employers' associations on 24 June and 1 July and in a letter to the teachers on 2 July.

Both employers and teachers were well aware of the Government's position before yesterday's requisitioned meeting. They also know that I stand ready to join in discussions to make the progress which is so urgent and necessary—given the October deadline for decisions on the rate support grant settlement—if we are not again to miss the chance of reforming the pay structure.

Mr. Radice: Why did the Secretary of State instruct his officials to wreck yesterday's Burnham committee meeting? Why did he use his 15 block votes against a peace proposal supported by 19 of the 24 elected representatives?

Does he understand that his high-handed behaviour has so angered local authority associations that the Burnham machinery is on the point of collapse? Will he admit that the only constructive talks that are now taking place are outside Burnham — those between the Labour-led employers and the teachers' representatives — and that that is no thanks to him? Is he aware that he is starving schools of resources, has demoralised teachers and is doing his best to undermine any chance of ending the turmoil in our schools? Why is the Secretary of State such a wrecker? For the sake of our children, he should resign before he does any more damage.

Sir Keith Joseph: These are very strong words. The hon. Gentleman is speaking as if my representatives voted down some substantive offer. It was not like that at all. The House should know that what was being discussed was whether a joint meeting of teachers and employers with me should be sought. Both sides have known very well for months that I am intensely willing to see them. My representatives opposed the addition to the request for a meeting of words which run utterly contrary to what I have repeated time and again to be the Government's objectives and decisions. No joint request to meet me was being voted upon. What was being voted upon was whether certain words should be added to a request for a meeting. The House knows that I stand eagerly ready to meet both sides of Burnham should they wish to talk to me.

Mr. David Madel (Bedfordshire, South-West): As the Government have said that they will make additional resources available for 1986-87, including an expanded network of in-service training, should not the teacher unions accept the Advisory, Conciliation and Arbitration Service's offer of informal talks to reach the goal of an improved and new salary structure and an improved education service?

Sir Keith Joseph: My hon. Friend is surely on the right constructive lines, but I must emphasise that the teachers, led by the National Union of Teachers, have refused to negotiate the offer to make extra funds available to meet the Government's objectives of better promotion prospects and better standards in schools since last year. They are still refusing to consider at all, let alone seriously, the renewed and repeated offer that I made in my letter of 21 May and which I repeated to the employers' association last week and to the teachers a couple of days ago by letter.

There is ample opportunity for teachers to secure the improved career prospects that they understandably want, if only they will get down to serious discussion of the 21 May letter—and in time to catch the October deadline, if extra money is to be put for that purpose in to the rate support grant settlement this year for next year.

Mr. Clement Freud (Cambridgeshire, North-East): For how much longer will teachers be expected to put up with pay rises below the rate of inflation when their job is getting increasingly difficult and everybody is expecting more? If the press leak of a 2 per cent. availability is untrue, how much money, on agreement with the teachers, will be available?

Sir Keith Joseph: I accept that, in many places and under many conditions, the teaching job these days is extremely difficult. I have accepted that for a long time. However, I ask the House to realise that universal indexing is the road to further inflation and thus to more unemployment.

Mr. Harry Greenway (Ealing, North): Does my right hon. Friend agree that the time for restructuring Burnham has come as it is no longer capable of handling the affairs of the great teaching profession? Is he aware that there are schools where there have been no parental meetings and no reports for perhaps three years? Is it not disgraceful that strikes are so damaging children's education? They will never recover. Worse, Labour party spokesmen go all over the country encouraging the strike and damaging children.

Sir Keith Joseph: I am willing to be convinced that there is a better method than Burnham to arrange these affairs, but even if the Government were so convinced, legislation would be needed and there would inevitably be a delay before legislation could be introduced. While my hon. Friend the Member for Ealing, North (Mr. Greenway) was asking his question, I heard the hon. Member for Durham, North (Mr. Radice) talking about the use of the veto from a sedentary position. I must remind the House that the veto was not used yesterday and that it was introduced when a Labour Government were in office. The hon. Gentleman ought to bear that in mind.

Mr. Ken Weetch (Ipswich): Does not the Secretary of State agree that the Burnham negotiating machinery has

been creaking at the joints for years? Does he further agree that instead of being a negotiating body it now resembles a Gilbert and Sullivan opera? Will he use his influence to ensure that the realities of the position appear in the negotiating machinery, in that the Government are the paymasters? It should reflect just that.

Sir Keith Joseph: But that is precisely what was intended to be reflected by the veto arrangements introduced when the Labour Government were in office.

Mr. Roy Galley (Halifax): No doubt my right hon. Friend will disregard the extravagant words of the hon. Member for Durham, North (Mr. Radice). As we say in Yorkshire, he rattles like a "can o' mabs" and there is nowt much inside.

While acknowledging the difficulty of persuading the teachers' unions to negotiate seriously about teacher assessment and improving standards, may I ask my right hon. Friend to consider going further, as a long-term objective, and offer the union a little more money and a pay review body system in return for a no-disruption agreement?

Sir Keith Joseph: Those are propositions which, in the right context and circumstances, might deserve consideration. However, at the moment the teachers are unwilling even to address themselves to the serious offer made in my letter of 21 May. I would have thought that the whole House was united in seeking the better promotion and career prospects for teachers of quality and better schooling for our children.

Mr. Tony Lloyd (Stretford): Does the right hon. Gentleman accept that even Conservative-controlled authorities are now so worried about the damage being done to children's education and the morale of the teaching profession that they have urged that negotiations take place within Burnham leading to an adequate salary increase for teachers? An example of that is the Conservative-controlled borough of Trafford. Those authorities look to the Secretary of State as the only person who can break the deadlock by accepting the need for a pay increase and by agreeing to fund it when it comes.

Sir Keith Joseph: The hon. Gentleman is repeating a request that, time and again, I have refused. The Government are not willing to make more money available, except to make progress towards the Government's objectives of better promotion prospects, a better career structure for teachers and more effective education in our schools.

Mr. Robin Maxwell-Hyslop (Tiverton): My right hon. Friend has fallen into the inadvertent error of referring to teachers when he means the teachers' union representative on the Burnham committee. Will he write to individual teachers and governors of schools—as the Secretary of State for Social Services did in the recent dispute over prescriptions—so that the teachers and governors know what my right hon. Friend is offering, which is a very fair offer?

Sir Keith Joseph: As is often the case, I strongly agree with what my hon. Friend has said. I do fall—especially when trying to speak briefly in the House—into the error of assuming that all teachers agree with teachers' association leaders. On my hon. Friend's suggestion of a letter to all teachers, I have seriously considered that possibility, but I am not the employer of the teachers. However, I take my hon. Friend's idea seriously.

Mr. James Callaghan (Cardiff, South and Penarth): While the Minister's sincerity is obvious, as he has utterly failed to secure the co-operation of school teachers, should he not consider making way for a successor?

Sir Keith Joseph: It is all very well the right hon. Gentleman courteously and gently putting that proposition, but I am convinced that the country and most teachers accept the Government's purpose of better education in our schools. I have taken the steps that should enable teachers and employers to get down to negotiations to secure the additional public funding that is on offer for next year.

Mr. Mark Carlisle (Warrington, South): I am sure that my right hon. Friend will agree with me that it would be a tragedy if the impasse were to continue any longer. Is not the only answer for the teachers to put to the test what my right hon. Friend has said and agree to discuss salaries together with future prospects in teaching as a possible way out?

Sir Keith Joseph: I agree entirely with my right hon. and learned Friend.

Business of the House

3.45 pm

Mr. Neil Kinnock (Islwyn): May I ask the Leader of the House to state the business for next week?

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): Yes, Sir. The business for next week will be as follows:

MONDAY 8 JULY—Consideration of Lords amendments to the Local Government Bill.

TUESDAY 9 JULY—Progress on Report stage of the Finance Bill.

WEDNESDAY 10 JULY—Completion of remaining stages of the Finance Bill.

THURSDAY 11 JULY—Estimates Day (3rd Allotted Day). The Estimates for consideration will appear in the *Official Report*. It is proposed that there will be a debate on Estimates relating to housing and environmental matters followed by a debate on Estimates relating to community care and the mentally ill and handicapped.

FRIDAY 12 JULY—There will be a debate on the reports of the House of Commons (Services) Committee 1984-85 on "Members' Staff: Pressure on Accommodation and Facilities", House of Commons Paper 195 and "Information Technology: Members' Requirements", House of Commons Paper 97. The debate will arise on a motion for the Adjournment of the House.

MONDAY 15 JULY—Opposition Day (18th Allotted Day) (Second Part). Until seven o'clock there will be a debate on a motion in the name of the leader of the Liberal party; subject of debate to be announced.

Remaining stages of the Oil and Pipelines Bill.

Consideration of any Lords amendments which may be received to the Trustee Savings Banks Bill.

[Estimates to be considered:

Class VII, Vote 1 (Housing, England (Department of the Environment)).

Class VII, Vote 2 (Housing Corporation, Rent Acts and Miscellaneous Administration (Department of the Environment)).

Class VIII, Vote 2 (Central Environmental Services, etc.)

Class VIII, Vote 3 (Derelict Land Reclamation, Urban Programme and Urban Development Corporations, England).

Class VIII, Vote 5 (Central Administration and Environmental Research (Department of the Environment)).

Class XIV, Vote 1 (Civil Accommodation Services (PSA of the Department of the Environment)).

Class XI, Vote 1 (Hospital, Community Health and Other Services, England):

Subhead A1 (Current Advances to and Payments on Behalf of Health Authorities) so far as it relates to community care, with special reference to adult mentally ill and mentally handicapped people.]

Mr. Kinnock: I am grateful to the right hon. Gentleman. We deeply resent the haste with which the Government propose to rush through the consideration of the Lords amendments to the Local Government Bill. The fact that the supplementary guillotine is to be used is strong evidence of the Government's disarray on the issue both in the House and elsewhere. The Bill is an affront to the democratic rights of millions in the metropolitan counties and the Greater London area. Surely it justifies much longer time for consideration in this place. I ask the right hon. Gentleman to consider that further.

I have asked on a number of occasions for a debate during Government time on the so-called star wars initiative. In the light of Vice-President Bush's visit this week and the welcome news of an East-West summit in the autumn, I ask the right hon. Gentleman again to ensure that we have time to give consideration to the strategic defence initiative before the House rises for the summer recess.

When the debate takes place on Thursday on the Estimates on community care, the mentally ill and handicapped, will the right hon. Gentleman try to ensure that the Minister makes a statement suspending the changes in the board and lodging allowances, which will impoverish and endanger the old and chronically disabled who have gone into private residential homes since 30 April?

Finally, I asked two months ago why we needed to wait until the autumn for a debate on televising the proceedings of the House. I reinforce my demand that we should have that debate before the summer recess so that the televising of our proceedings could commence with the Queen's Speech next Session.

Mr. Biffen: I shall start with the right hon. Gentleman's last question, which was almost enough in itself. The issue of the House resolving whether it wants to sanction an experimental period of television is one which requires a good deal of delicate touch. I do not believe that it would be prudent to try to secure a judgment to enable the opening of Parliament and the Queen's Speech to be the subject of television. It would be very much better if this matter continued to be discussed in the manner in which it has been hitherto. I hope the matter will be available for a Commons decision early in the new Session.

The right hon. Gentleman will appreciate that the board and lodging allowances went before the House earlier this week, but I will draw to the attention of my right hon. Friend the Secretary of State for Health and Social Services the right hon. Gentleman's interest in the matter.

On the matter of a debate on the star wars initiative, the right hon. Gentleman will appreciate that the House had a chance to make its views known on this topic during the two days recently devoted to the defence Estimates. I am quite happy that this matter should be considered further through the usual channels.

I am sorry to be mildly unhelpful over this next point, but it was claimed that precipitate haste had been shown by the Government over the Local Government Bill, and that inadequate attention had been given to it. I have to point out that in this House and in another place almost 350 hours will have been devoted it. The Lords amendments were notified to the House yesterday and the present arrangements are a reasonable and equitable means of trying to secure further consideration of the measure.

Mr. Robert Key (Salisbury): Could my right hon. Friend help with an important constitutional problem? This House will not be able to debate the possible withdrawal of the United Kingdom from UNESCO. The United Kingdom National Commission is the only one whose chairman is a Minister in the Government. This precludes the tabling of parliamentary questions on the

subject because the Minister will be presenting evidence to a Select Committee of the House. Can my right hon. Friend help us?

Mr. Biffen: I will most certainly look into that matter and I will be in touch with my hon. Friend.

Mr. A. J. Beith (Berwick-upon-Tweed): Can the Minister give an assurance that the motion tabled by my hon. and right hon. Friends on the immigration rules affecting Tamils will be debated before we rise for the summer recess?

Mr. Biffen: That is certainly my intention.

Mr. Teddy Taylor (Southend, East): In view of the immense constitutional importance of the European Communities (Finance) Bill, will the Leader of the House make a statement next week indicating whether he considers that this Bill should be considered in the other place, and could he give us some indication of how these things are decided and what considerations are taken into account?

Mr. Biffen: The Bill was left in such a state that its Committee stage has not yet been concluded, and I am sure that points might arise on that.

Mrs. Renée Short (Wolverhampton, North-East): Can the Minister confirm that the second debate to take place on Thursday which arises from the Select Committee report on the care of the mentally ill and mentally handicapped, for which I understand additional time has been allowed, is likely to start by about 6.30 in the evening?

Mr. Biffen: That is my understanding, but perhaps I could get in touch with the hon. Lady when I can ascertain it with more certainty.

Mr. Richard Holt (Langbaurgh): Would my right hon. Friend comment upon the fact that during Opposition Supply Days there has been virtually nobody on the Opposition Benches, front or back. In the light of that, will he consider revising the parliamentary timetable so as to afford more opportunity for Back Benchers on the Conservative side who are here in numbers on those occasions? Perhaps he could give us a debate on law and order, for which many of us have been asking for a long time.

Mr. Biffen: If I were to answer those enticing questions, it could only be in such a way as to exacerbate tempers which are already somewhat fragile in this month of July.

Mr. Dennis Skinner (Bolsover): Will the Leader of the House arrange next week for a statement to be made on how much the Government will dole out as a result of the top people's pay review board for judges and others? Will he affirm that the estimate is likely to be twice the Government's going rate for the rest of the country? These people are already earning more than £50,000 a year. So that there can be fair treatment, will he ensure that there will be another statement by the Secretary of State for Education and Science to follow the one on the top people's pay review board so that a proper comparison can be made about how the Government are treating those at the very top of our society in relation to those who are trying their level best to motivate kids at school, many of whom will not have the chance of a job when they leave?

Mr. Biffen: It is the job of the Leader of the House never to excite too much expectation of statements, but I shall nevertheless refer the hon. Gentleman's interest in such a statement to my relevant right hon. Friends.

Dr. Alan Glyn (Windsor and Maidenhead): Does my right hon. Friend agree that star wars is such an important and large subject that it cannot be covered by a general defence debate? As the Leader of the Opposition has suggested this as a subject for debate, would not it be more suitable to hold it in Opposition time?

Mr. Biffen: I am sure that the Leader of the Opposition will have noted that interesting proposition. As I have said, the opportunity to pursue it through the usual channels is available.

Mr. Don Dixon (Jarrow): Bearing in mind that the Government have refused to give time to debate the Select Committee report on the Transport Bill, will the right hon. Gentleman find time next week for a debate on the Government's White Paper in response to that report? If we go along this dangerous road, we shall be conducting parliamentary business by correspondence course. Will the Leader of the House arrange for an urgent debate, or is he afraid that the Secretary of State for Transport is so imcompetent that he could not justify the Bill?

Mr. Biffen: The hon. Gentleman will appreciate that no provision has been made in next week's business for a debate on transport, and I cannot hold out hope of an early debate as we now enter the most congested period in the parliamentary year. None the less, I shall refer his anxieties and strictures to my right hon. Friend the Secretary of State for Transport.

Mr. Bill Walker (Tayside, North): Has my right hon. Friend had the opportunity to read early-day motion 835?

[That this House notes with grave concern that the bankers, Morgan Grenfell and Company Limited were acting for both Arthur Bell and Sons plc and Guinness plc in the period immediately prior to the current takeover being launched; is further concerned at the consequence this may have for the Scottish financial insitutions, the investors in Arthur Bell and Company plc and for the workers employed by that company; and believes this takeover should be referred to the Monopolies and Mergers Commission.]

If so, is my right hon. Friend aware that the bankers mentioned in that motion have been working for one of the companies involved in the take-over of Arthur Bell and Sons? They have also been advising on that company's corporate and financial structure and other sensitive areas that would be invaluable to anyone else who wished to take it over. Sadly, this cast doubt on how self-regulatory bodies, such as the one operating in the City, work. That must be bad for the benefits that have accrued from the sound financial system that operates in this country. May we please have an early debate on this matter?

Mr. Biffen: My hon. Friend makes a fair point. The City panel considered this potential conflict of interest, and we must assume that it was satisfied. I understand my hon. Friend's interest in the matter, but this could well be a possible candidate for an Adjournment debate. I cannot offer the prospect of an early debate in Government time.

Mr. Jeremy Corbyn (Islington, North): Is the right hon. Gentleman aware that last Friday a High Court judge directed that the Home Secretary should reconsider the

[Mr. Jeremy Corbyn]

case of a Tamil asylum-seeker whom the right hon. and learned Gentleman has tried to remove from this country? In his judgment, the judge described as inhuman the Government's policy towards Tamil asylum-seekers. At the very least, should not the Leader of the House insist on the Home Secretary making a statement about whether the Government will appeal against that decision or review their inhuman policy towards Tamil asylum-seekers? Will the right hon. Gentleman also ensure that the matter is fully and urgently debated in the House so that the fear from which Tamils in this country, and those who wish to leave Sri Lanka suffer, can be properly discussed in the open?

Mr. Biffen: The best way to help the hon. Gentleman is to refer him to the reply that I gave to the hon. Member for Berwick-upon-Tweed (Mr. Beith).

Mr. Ivor Stanbrook (Orpington): Considering how unrepresentative the other place is when dealing with matters of this kind, can my right hon. Friend assure me that the Government will adopt a very robust attitude to its amendments to the Local Government Bill?

Mr. Biffen: I think that the Government have behaved with commendable balance and judgment, and I do not think that my hon. Friend will be disappointed.

Mr. James Lamond (Oldham, Central and Royton): Is the right hon. Gentleman aware that we were very pleased that the Secretary of State for Defence was able to find time to attend defence Question Time this week, contrary to his practice in the past? However, the Secretary of State's answers were so arrogant and gratuitously insulting that many Opposition Members expect him to come back to the House and to apologise for his lack of politeness.

Mr. Biffen: I have to accuse the hon. Gentleman of being unduly sensitive, which is about the worst accusation one can make in this House.

Mr. Michael Fallon (Darlington): May we have an early debate on public expenditure to allow my right hon. Friends to reaffirm their commitment to reducing as well as controlling the proportion it consumes of our national wealth?

Mr. Biffen: I feel uncomfortable that the hon. Member for Bolsover (Mr. Skinner) is breathing down my neck as the surrogate Leader of the House. As my hon. Friend observes, we will take the Finance Bill next week and if my hon. Friend cannot make all his speeches on that occasion I know of none other which can be so accommodating.

Mr. Chris Smith (Islington, South and Finsbury): Will the Secretary of State for Social Services make a statement next week about further cuts in housing benefit as reported in today's press? If so, will he be telling the House why such a statement was not included in his statement two weeks ago and how he can conceivably justify further cuts on the poor?

Mr. Biffen: The hon. Gentleman will appreciate that I cannot enter into the merits of the argument contained in his premise. It would be a very unhappy day if we based our business on what was contained in newspaper comment and speculation. I will of course draw the attention of my right hon. Friend to the point he makes.

Mr. James Couchman (Gillingham): In view of recent events in the middle east, and particularly the upsurge in international terrorism, and in order to give credence to the reports in today's press that there is to be a concerted effort against international terrorism, will my right hon. Friend grant a debate, perhaps on the Adjournment of the House, on the subject of terrorism?

Mr. Biffen: I note my hon. Friend's point. The subject is one of the most profound in topical importance, but I can see little prospect of a debate in Government time, although there are still opportunities left to Members to seek private debates in the weeks that remain.

Mr. Andrew Faulds (Warley, East): Will the right hon. Gentleman determine to delay as interminably as he can manage any consideration of the televising of the proceedings of this House, because if we were to proceed to televise the conduct of the House it would do enormous damage by the performance of some Members and would give a very bad impression of how Members conduct hours of responsible debate.

Mr. Biffen: I have no wish to enter into the controversy whether the House should or should not be televised. I have no wish to rescue the right hon. Gentleman the Leader of the Opposition from the strictures of his hon. Friend. All I will say is that it has just the appropriate rate of expedition.

Mr. William O'Brien (Normanton): Is the Leader of the House aware of the situation that has developed in some of our hospitals because of stress upon the nursing staff and the effect that that stress is having on some of the patients, caused in the main because of lack of staff and lack of resources for the National Health Service? Will he assure the House that there will be time to discuss the serious situation which is developing because of stress on nurses? Will he prevail upon the Secretary of State for Health and Social Services to make a statement that an inquiry will be held as to the causes of stress on nurses? Will he assure the House that something will be done to relieve that stress?

Mr. Biffen: I will pass the request for an inquiry to my right hon. Friend the Secretary of State for Social Services. As for the more general issue of a debate, on Thursday we will debate the mentally ill. Since mental health forms a very substantial fraction of the total Health Service, perhaps the hon. Gentleman will be able to make his speech on that occasion.

Mr. Robert Parry (Liverpool, Riverside): The Leader of the House will have seen early-day motion 817.

[That this House, aware of the deep concern of the Merseyside Equal Opportunities Project, the Women's Education Centre, the Community Relations Council and the Liverpool Black Sisters, at the proposed deportation of Mrs. Mabel Achinihu with her two children, one aged four years and the other aged two months who were both born in England, notes that Mrs. Achinihu has worked in England since 1976, and on a return to Nigeria her husband was tragically killed in a road accident; and calls upon the Secretary of State for the Home Department to show compassion by allowing this young family to remain in the United Kingdom.]

The motion is supported by more than 90 hon. Members. It deals with the proposed deportation of a young mother with two young babies, both born in this country. Will the right hon. Gentleman ask the Minister to receive a deputation to discuss this diabolical decision?

Mr. Biffen: I understand that the case is being reviewed by my right hon. and learned Friend the Home Secretary, and I shall bring to his attention the points which have just been raised.

Mr. Robert N. Wareing (Liverpool, West Derby): As I intend to table an early-day motion on the subject, will the Leader of the House provide time next week to enable the Minister with responsibility for the disabled to explain to this House how the statement made to the Welsh Conservative party conference by the Secretary of State for Wales accords with the express desire of that Minister that public attitudes to the disabled should be altered by means of education, example and persuasion?

Mr. Biffen: It would be only courteous if I were to wait until I saw the terms of the early-day motion. Meanwhile, I will refer the hon. Gentleman's comments to the relevant Minister.

Mr. Max Madden (Belfast, West): Has the Leader of the House seen the statement issued today by the House of Commons branch of the Association of Clerical, Technical and Supervisory Staffs which makes serious criticisms of the competence and impartiality of the inquiry into water contamination of the Norman Shaw South building? Will he seriously consider those criticisms and also the request for the early establishment of a wholly independent inquiry, which would involve trade union consultation?

Mr. Biffen: I have no reason to doubt the integrity of the inquiry, and I should like to make that amply clear, but I shall look at the point raised by the hon. Gentleman.

Mr. Tony Lloyd (Stretford): Is the Leader of the House aware of the tremendous pressure which is building up in Strangeways prison in Manchester which now holds nearly twice as many people as it was originally designed for, including people on remand who are not guilty of any crime? Is he also aware that the prison officers there recently passed a motion of no confidence in the governor? Given that things have reached such a pitch, may we have an independent inquiry into events at the prison so that we can be assured that everything is satisfactory or, in the likely event that the prison officers still have some realistic grievances, that something is done to make things easier for them and for the inmates of the prison.

Mr. Biffen: I am sure that such an inquiry would be the responsibility of my right hon. and learned Friend the Home Secretary to whom I will refer the points which have just been made.

EUROPEAN COMMUNITY DOCUMENTS

Ordered,

That European Community Document No. 4519/85, on the discharge of certain dangerous substances into water, be referred to a Standing Committee on European Community Documents. —*[Mr. Newbert.]*

Ordered,

That European Community Documents Nos. 6707/85, concerning the examination of animals and fresh meat for the presence of residues, and 4793/84, concerning sampling and analysis for the monitoring of foodstuffs for human consumption, be referred to a Standing Committee on European Community Documents.—*[Mr. Neubert.]*

OPPOSITION DAY

[19TH ALLOTTED DAY]—*considered*

Northern Ireland

4.6 pm

Rev. Martin Smyth (Belfast, South): I beg to move,

That this House invites the Government, in view of the destabilizing effect in Northern Ireland of conflicting unofficial reports consistently circulating in the Press, to bring its current discussions with the Government of the Irish Republic to an early termination and publish a White Paper setting out the several matters discussed and the conclusions reached.

Mr. Speaker: I must announce that I have selected the amendment in the name of the Prime Minister.

Rev. Martin Smyth: The general concern of the motion is expressed in the caption,

"Restoration of Stability in Northern Ireland."

It is therefore useful at least to be clear-headed about what we are thinking. The dictionary defines "stability" as,

"stable, firmly fixed, or established, not easily to be moved or changed or destroyed."

We move the motion because it is the conviction and desire of the Ulster Unionist party and the people of Ulster at large that Northern Ireland's position within the United Kingdom, as well as its institutions of government, should be stable. We recognise that Her Majesty's Government have tabled an amendment which raises the question whether the Government have contributed to stability.

Only last week we debated the Interim Period Extension Order. Does the very title itself knock the concept of stability when we talk about something being stable and fixed as we bring forward an interim period extension order? That in itself suggests that the purpose of the Government is not stability. In that debate the Secretary of State said that the identity of the Protestant community must be respected by both Governments. That was in keeping with a conclusion reached by the two Heads of Government. Last week, the Secretary of State said:

"This, as the two Heads of Government agreed at Chequers, must be respected, as must the wish of the majority in Northern Ireland to retain its British identity and to remain a part of the United Kingdom."—[*Official Report*, 26 June 1985; Vol. 81 c. 974.]

In that same week the Secretary of State added to instability in Northern Ireland by being insensitive towards Loyalist aspirations by curtailing traditional Protestant marches which have been held in the Province for centuries.

I want to put on record my own view, which reflects the view of my party and of many in the Province. We are not talking about restricting marches, like those which have taken place recently and which appear to be provocative. We are not saying that undisciplined parades should not be curtailed, but there should be a different judgment on marches that have taken place for at least a century and a half without the coat trailing that is so often referred to in these discussions.

Together with my right hon. Friend the Member for Lagan Valley (Mr. Molyneaux), the leader of our party, and my hon. Friend the Member for Upper Bann (Mr. McCusker), I met the Secretary of State. We emphasised the serious consequences of interfering with the expression of Loyalist regard for our place in the United Kingdom and our civil and religious liberty which we wish to uphold. We stressed the serious risks involved in banning or curtailing traditional parades. We conveyed to the Secretary of State background information about certain localities. The Government did not seem to be fully aware of that information.

During the past week it has been stated that there has been no involvement of Dublin in the banning of parades. We have been assured that banning involves only the Government and that the rerouteing of parades is strictly a matter for the Royal Ulster Constabulary. However, it is not what is, but what appears to be, that matters. In our country the statement that Dublin has not been involved falls on deaf ears.

In a written answer to a question by my right hon. Friend the Member for Strangford (Mr. Taylor) the Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs said:

"The Irish Government made representations about the control of a St. Patrick's Day parade in Portadown. Her Majesty's embassy in Dublin has explained that the control of parades is primarily a matter for the operational judgment of the Royal Ulster Constabulary."—[*Official Report*, 1 April 1985; Vol. 76, c. *486*.]

Perhaps some hon. Members know that many people in the Province feel deeply about parades. By and large the Loyalist community has observed the law.

A predecessor of mine, William Johnston of Ballykilbeg, was elected to Parliament in the late 1800s. Because the Orange men had abided by the law on party processions, which law was not being enforced impartially, on a July day in 1867 William Johnston led a march from Bangor to Newtownards. Subsequently he was sentenced to a term of imprisonment for breach of the law. That is what is involved in cross-bearing—being prepared to take the consequences of following through one's conscientious actions. After his release from prison he was returned to this Chamber, and he continued to be a Member of Parliament for many years. In view of that background, I should have thought that any responsible Minister would think twice before curtailing or banning a parade that has taken place for 150 years. We have been told that one section of the Northern Ireland community is alienated, but growing numbers are being alienated by ham-fisted actions by Her Majesty's Government and by those who serve as Ministers.

The Secretary of State fails to recognise our fears when he repeatedly invites spokesmen of a foreign country to weigh in on Northern Ireland affairs, as he did again in last week's debate when he said:

"It is natural that Ministers in the south should, as they do from time to time, feel and express views about what happens in the north. My predecessors and I have differed from other hon. Members and some elected representatives in the Province on that point. However, I have already stated the conclusion that the Government have reached on it."—[*Official Report*, 26 June 1985; Vol. 81, c. 975.]

The right hon. Gentleman also said that Dublin dialogues were no substitute for a solution within Northern Ireland. The Ulster Unionist party and I believe that the Northern Ireland Office has not tried to move forward within Northern Ireland and that it is busily engaged, with the Foreign and Commonwealth Office, in undermining confidence and stability within Northern Ireland.

What other interpretation can we put upon the lack of information from the Northern Ireland Office and the Foreign and Commonwealth Office on their discussions with the Republic? It is the easiest thing in the world to laugh, but, as a psychiatrist or a psychologist would say, that is a cover-up, because there is no argument against

that inference. We have asked questions, but we find it difficult to get answers. Ministers from the Department of the Secretary of State and from other Departments have been meeting Ministers from the Republic about every two weeks since 1983. That is shown in a written answer in column *413* of the *Official Report* of 1 April. I do not think that there is any significance in the fact that the question was answered on 1 April.

The range of Departments involved in the meetings has been wide — Education, Energy, Agriculture, Justice, Transport, Environment, Wales, Social Services, Employment. One can imagine the number of meetings that take place between officials of the Departments concerned in the United Kingdom and the Republic. I said, "One can imagine." One has to, because the right hon. Gentleman has refused to give information about meetings between officials. There is no information to disabuse us our ignorance or to confirm our views.

Officials from the Northern Ireland Office and the Foreign and Commonwealth Office have been attending conferences in Dublin on Irish culture, organised by a group funded by the British taxpayer to the tune of £24,000 in the current year. That was shown in the Supply Estimates, class II, vote 1. People in Northern Ireland wonder what is going on. It may be the promotion of Irish culture at the expense of our British identity. We should like to think that money was being spent also on our British identity.

We are told that the two communities have to live together. We had a classic illustration of a name that brought the two communities together — Londonderry. "London" indicates the British tradition and "Derry" the Irish tradition. But the Government decided to do away with "London" in the name of the Council.

There is a constant erosion of our British culture, but we spend fair sums of money upon promoting Irish culture. I can find no evidence of the Ulster identity being studied in schools. Can the Secretary of State find time to tell us whether those groups in Northern Ireland which seek to promote the concept of an Ulster identity will receive the same funds as those which promote what is glibly called the Irish identity?

Mr. Kevin McNamara (Kingston upon Hull, North): Is the hon. Gentleman referring to a six or a nine-county Ulster identity?

Rev. Martin Smyth: I am not unduly worried.

The Secretary of State takes a constant interest in and regularly speaks about what is commonly called the Irish section. The Irish section joined Dean Swift in saying that everything English should be burnt, apart from English coal. I hope that the miners do not object to that quotation.

The hon. Member for Kingston upon Hull, North (Mr. McNamara) represents those who constantly refer to the English imposition upon Ireland. The nine counties are historically an English imposition, but that was not the old Ulster. That is more akin to the Northern Ireland which we represent. I thought that the hon. Gentleman was aware that this is a debate about Ulster's identity.

The report of the Anglo-Irish Encounter Group says:

"It was hoped that Oxford university would establish a chair of Irish Studies. An Institute of Irish Studies, offering a BA in Irish Studies, was being established by Keele University, Crewe and Alsager College of Education and North Staffordshire Polytechnic. When a number of such degree courses existed, it should be possible to get Irish Studies accepted at A level. It was surprising, she said, that options in American, French and many other studies existed, but not in Irish studies."

I would add that they do not exist for Ulster studies.

It is too much of coincidence that the daughter of Garret FitzGerald teaches Irish studies at Crewe and Alsager college of education. I doubt whether, despite her father's proud boast of having an Ulster ancestor, she will be telling her students about the Unionist side of the argument. It is conveniently and regularly forgotten. We talk about the English imposition and English misrule instead of referring to the quality of life that has characterised the north-east of Ireland since long before the plantation.

There is one stable factor which Ministers, the Opposition and others ignore and to which they seem determined to remain blind: the vote for the Unionist parties which has been signified at every election in Northern Ireland, whether by the strict first-past-the-post system or by the manipulation of proportional representation. The people of Northern Ireland vote consistently and clearly for the Union.

Hon. Members refer to a head count, as though the British Government had drawn a frontier to protect the Union. An honourable agreement was reached between the three consenting parties on the best way forward, but that was not at the behest of the Ulster Unionists. In our heart of hearts, most of us would have preferred, instead of the secession of the 26 counties from the United Kingdom, the old Unionist position: that the best hope for the future is to be found in a relationship with the United Kingdom. If we want stability, that is the way forward.

Those who gave evidence recently to the Northern Ireland Assembly's devolutionary committee made it plain that the community should have been given a voting opportunity which demonstrated that fewer than 50 per cent. of the Roman Catholic community was in favour of a United Ireland. This was done in the border referendum. No matter how one does the sums, even allowing for intimidation it showed clearly, as subsequent opinion polls have shown, that this is not simply a question of Roman Catholic versus Protestant, but a question that divides those who want to be in the Union and to live in a stable community and those who want to latch on to the United Kingdom, through Europe and other subventions, instead of taking their place within the overall structure.

I need not deal in detail with the sorry tale of the Government's refusal to strike at Sinn Fein. Its entry into local government in Northern Ireland signified the renewal of genocidal war against both Protestant and Catholic policemen and prison officers.

The Labour party has co-operated honourably with us, and this Opposition Supply day debate arises out of an agreement with it. I believe that I detected signs of an improvement in two recent speeches from the Front Bench of the right hon. and learned Member for Warley, West (Mr. Archer). I pay tribute to what he said in those speeches. Nevertheless, Brecon Beacon is probably calling many hon. Members to dance around it today. That may account for so few Opposition Members being in the House. The Conservative party may be fighting a battle there, too. However, little can be said about Labour party policy for our much maligned Province. Who speaks for the Labour party? Is it the right hon. and learned Member for Warley, West, or the various groups within the Labour

[Rev. Martin Smyth]

party who lean over his shoulder and trot out their various half-baked and dangerous schemes? The right hon. and learned Gentleman said:

"If there is ever to be an end to divisions in Northern Ireland, if people are ever to live in peace with their neighbours, and if there is to be any end of the tribalism, the violence, the waste and the tragedy of it all, there must be some arrangement about how people can live together in one island and manage their business and administer their affairs. There is no hope of that unless they can seek agreement through conversations and constitutional processes with those with whom they do not already agree."—[*Official Report*, 26 June 1985; Vol. 81, c. 985.]

On that occasion the right hon. and learned Gentleman was long in criticism of the Unionists and the Government but short on what he himself would do. We are still awaiting real proposals, rather than colonial style visits that lead to some Members of his party being in dialogue with Sinn Fein, who are proxies for murder.

I prefer to look beyond the Front Bench of the Labour party, where a responsible attitude has been shown at conferences and at other levels, to the activists who have hijacked what was once a great party. In a recent reference to the Sinn Fein vote in the local government elections in Northern Ireland, the magazine of the Labour Committee on Ireland, *New Labour and Ireland*, said:

"This must mark the end of normalisation. The six local councils where Sinn Fein hold the balance of power is proof enough."

Speaking of the efforts of Unionists to stand up to Republicanism on local councils, it says:

"Labour activists in Britain will have to campaign against this arrogance, through mutual delegations, links between councillors and pressure on party leaders to make their position clear."

Incidentally, the same issue of that publication carried a lengthy article by the Sinn Fein abstentionist from west Belfast about May day. The Labour Committee on Ireland is the Sinn Fein wing of the Labour party, and the attitude of the Labour party to that committee and to Northern Ireland has not contributed to stability, but has undermined good government and good relations in Northern Ireland.

Lest I am told that all I do is criticise and do not put forward views, I shall put forward something of the view that we on this Bench take, though, as many hon. Members wish to speak, I shall be brief. We have attempted to bring a lasting, stable, durable state of affairs to Northern Ireland. As I criticise types of discussion—for example, relationships with the Irish Republic—I am reminded of the famous "Tell Scotland" campaign in church circles, when an elder of the Church of Scotland said, "I do not mind them telling Scotland. It is what they are telling Scotland that I am not so sure about."

As one who has been prepared to argue our corner and event to go to the deep south of Ireland to present the Unionist viewpoint, I am not against presenting our case to or having proper relationships with a friendly neighbour. However, I must ask that neighbour to start being friendly. A man who wants friends must show himself to be friendly. One way immediately to start on that process would be to get rid of the arrogant 1935 constitution, which would never have been brought in had there been a desire on the part of the southern Irish people to have one-ness with Ulster.

In considering our position, it is clear that we have counselled caution and calmness, although Conservative Members may not wish to give us credit for having done that. We have preached caution when stories of summits and sell-outs have filled the pages of the newspapers. We have preached responsible responses to provocation from the IRA and INLA and on local councils.

We also acted responsibly when the Secretary of State set his face against our culture and religious freedom in respect of Londonderry and our legitimate right to hold a peaceful march, especially a march to a church service which had gone on annually for 150 years. That attitude of responsibility was summed up well last week by our leader, my right hon. Friend the Member for Lagan Valley, when, talking of speculation in the media, he said:

"Because of all this suspicion, because of all the kite-flying and because of all the projections, all the rumour-mongering and all the deliberate leaks, they can hardly blame Loyalists for being a bit suspicious and, if it comes to that, they can hardly blame the IRA for imagining that, if it gets in on the act, it will expedite affairs along the road that it would wish to choose".—[*Official Report*, 26 June 1985; Vol. 81, c. 990.]

We have tried hard to formulate a lasting system of government for Northern Ireland. That is why I was prepared to enter the Northern Ireland constitutional convention, which this House did not debate because a section refused to take part in any such debate, and thereby did not have the opportunity to vote for many parts of the convention report with which Members of that section would have agree. I refer, of course, to the SDLP. Its Members took that view because they were not given a cast iron guarantee of a place in office, no matter how the people voted. We were prepared to provide the structure in which all could participate. However, they wanted a structure in which they could say, "We are in, no matter who else is out." Having given that convention a job to do, this House did not bother properly to examine what it said in its report. Thank heavens that a few of the recommendations of the convention have subsequently been developed, despite the attitude of the former Secretary of State, the right hon. Member who represents a Leeds constituency, the proper name of which escapes me.

Mr. Merlyn Rees (Morley and Leeds, South): In the way in which some people in Northern Ireland object when their names are not known, so perhaps the hon. Gentleman should be told that my constituency is Morley and Leeds, South.

Rev. Martin Smyth: I am obliged to the right hon. Gentleman for making that clear. He will recall that at the time when we were lobbying about the report of the convention in respect of extra seats at Westminister, he said, "Never." I reminded him then that his Leader had said that seven days was a long time in politics. "Never" is a word that one should not use in politics. That is the view I take of the convention report. Little by little the light may dawn on people.

We have acted within the Northern Ireland Assembly, which was set up by this Chamber, to perform an impossible task on impossible terms, for it was certain from the beginning that one of the parties would stay out. We said that the system would have to be changed, and subsequently the Assembly has been looking at the whole matter through its devolution committee.

I need not remind the House of the invitations that have been extended to the absenting party, which is represented in this Chamber by the hon. Member for Foyle (Mr. Hume)—who is absent again today—and of our attempt to persuade the Roman Catholic hierarchy, Dr. Cahil

Daly, to come before us to give his views on the alienation of the community so that we might at least have the opportunity to speak to somebody with a point of view to express.

Having said that, let us consider the view of my party, as expressed in "The Way Forward", in which we said:

"The time is now ripe for both communities in Northern Ireland to realise that, essentially, their problems will have to be solved in Northern Ireland by their political representatives and that any future prospect for them and their children is best provided for within the Northern Ireland context. This will require a mutual recognition of each other's hopes and fears. Only rights can be guaranteed, not aspirations, but it is the responsibility of the majority to persuade the minority that the Province is also theirs."

Some of us have been doing our best to get that across. It is a hard task, especially when some stay out of the ring. While the metaphor may not be altogether apt, it is nevertheless real.

In that document, we recognised the problems and conflicts in Ulster. We also pointed out that present arrangements were shackled by impossible conditions, which demanded that those who wished to wreck the system should be handed the levers of power. Instead, we asked that limited powers over basic local government functions be devolved to Stormont, so that perhaps at that level a degree of trust and a working relationship could be built up.

I admit, frankly, that the time to act on the issue may have gone and that a good opportunity was lost in the welter of bitterness generated by Sinn Fein and the IRA since 15 May. However, we are asking the Government, the Labour party and all parties in this House to look again at the whole issue and to recognise that the conditions imposed by the current system in Northern Ireland must be changed to allow direct accountability by politicians and public servants for their actions.

An aspect that has caused tremendous unrest is the fact that the self-appointed protector of the minority in Northern Ireland has never properly defined that minority. The definition alters according to whom one is debating the matter with. It is normally defined by Mr. Barry as "Nationalist", though on some occasions he defines it as "Roman Catholic".

When a person from outside our country appoints himself as the protector of minorities, we must be careful how we deal with that person. History recalls that an individual named Hitler appointed himself as the protector of minority interests. The concept of power-sharing was introduced into Austria to preserve the interest of the minority, and that ultimately led to the anschluss of 1938.

We would deny the right of any Ministers or Government to set themselves up as the protecting power within Northern Ireland, bearing in mind the lamentable spectacle of the terror and the tears caused by the then Prime Minister of the Irish Republic, who ordered the troops to the border at an earlier time.

In closing, I wish to take up one point that was made by the Parliamentary Under-Secretary of State, the hon. Member for Chelsea (Mr. Scott) in winding-up the debate on 26 June. He assured us then that, if we had not been talking to the Government of the Irish Republic, there would, for example, have been no arms find on the Marita Anne. I may be an innocent abroad, I may be naive, and I may be getting my information from the wrong sources, but I understood that the arms for the Marita Anne were discovered in the United States and that it was through NATO shadowing operations that they were traced being transferred to the Marita Anne. As a result, the southern security forces could have done very little but get them. Perhaps it was because there was no conversation going on in the last week or so when the Marita Anne was at sea again and an Irish fisheries protection boat challenged it, because it suspected the Marita Anne of doing some illegal salmon fishing, that masked gunmen on the Marita Anne repelled an attempt to board her. The sea-to-shore communications were so excellent that the Marita Anne was able to dock and the crew to scarper before anybody could come to see who was on board. If that is the sort of security co-operation that has been going on between the north and south, between Her Majesty's Government and the Government of the Irish Republic, some of us would say that we need a little bit more to bring stability to Northern Ireland.

Northern Ireland

4.41 pm

The Secretary of State for Northern Ireland (Mr. Douglas Hurd): I beg to move, to leave out from "House" to the end of the Question and to add instead thereof:

'invites the Government to continue to promote measures which encourage peace, stability and good relations between the two communities in Northern Ireland; invites both communities to work to these ends; recognises the contribution which improved relations with the Government of the Republic of Ireland can make in furthering these objectives; and recognises the need to maintain a firm security policy under the law.'.

Hon. Members on the Unionist Opposition Benches have, I think, chosen an admirable theme for their Supply day, and the hon. Member for Belfast, South (Rev. Martin Smyth) moved the motion in a clear and calm way. I think that it is an admirable theme because stability under the law is the first need of any society. It is not always present in Northern Ireland, and that is certainly the main shortcoming in Northern Ireland today. We discussed last week in two debates the details of this, and therefore I need today only to set out again, briefly, how we, the Government, work to achieve the stability which the Opposition and the hon. Member for Belfast, South rightly wish to see.

The motion that the Unionists have tabled selects one particular matter as destabilising, to use their phrase, and that is the talks between the British and Irish Governments, so I ought to deal with that first.

I cannot advise the House to accept the unamended motion that the Unionist party has tabled, but I notice that it is couched in moderate terms. It does not ask us to refuse discussions with the Irish Republic but to bring them to an early termination. It does not ask us to reject any agreement with the Irish Government but to publish any conclusions in a White Paper.

The origins of this round of discussions between the two Governments have been often discussed in the House. The House knows that they originated in the Chequers summit communiqué, which my right hon. Friend the Prime Minister and the Taoiseach issued after that summit, in which they reaffirmed the constitutional guarantee of the position of Northern Ireland within the United Kingdom, and went on to say that they wanted to find ways of reflecting the identity of both communities in Northern Ireland.

Speaking to the United States Congress on 20 February, my right hon. Friend said:

"Garret FitzGerald and I will continue to consult together in the quest for stability"—

note the same word as in the motion—

"in Northern Ireland and hope we will have your continued support for our joint efforts to find a way forward."

Both my right hon. Friend and I have made it clear on numerous occasions that there is no intention on the Government's part either to transfer or to share with others outside Northern Ireland in some scheme for joint authority the exercise of executive power in the Province.

The discussions with the Irish Government are, I think I can safely say, reasonably well advanced. I cannot say this afternoon exactly when they will come to a conclusion, nor can I say whether that conclusion will be a successful agreement. There is work still to be done. I suspect that it will not be all that long now before we know one way or another, but we do not know, I do not know, no one knows, this afternoon.

I recognise the point made in the motion that in this period there are press reports that confuse and that can create anxiety. I think many Opposition Members will recognise that there are in the Province people who are anxious that there should be anxiety. There are people whose aim is not stability, but rather keeping the temperature high.

However, I recognise that there is also genuine anxiety in the majority community born out of many sufferings and the strong feelings of a community that has often felt beleaguered and threatened. I ask them to accept that, if discussions are to be serious, they do sometimes have to be in confidence until they are concluded. I think that it is almost implicit in the motion that they do accept this. This is true in many walks of life, and often in transactions between Governments.

I must tell the House that it would be rather easier for me personally in the job that I have if I were able to break confidences and deal faithfully with the rumours that have been circulating, but I am not so free at present. All that I can give the hon. Member for Belfast, South this afternoon is the assurance that, as soon as the present round of talks comes to an end, whether they succeed or fail, the outcome will be fully and openly announced. Obviously, if they result in any agreement, the House will have an opportunity to discuss and take a view on that agreement.

Mr. J. Enoch Powell (South Down): When the Prime Minister in the last few days entered into discussions on behalf of this country with the representatives of other nations, she set out clearly to the House what the objectives were, what she wanted, what she was prepared to accept and what she was not prepared to accept. Would it not be helpful if the Secretary of State for Northern Ireland would do that in the relations between the United Kingdom and the Irish Republic, which are much more tense and which concern much more directly the stability of the Province?

Mr. Hurd: If the right hon. Gentleman would look up the account that my right hon. Friend gave to the House after the Chequers summit, he will see there set out exactly the same sort of explanation and analysis of objectives as my right hon. Friend gave the other day after the Milan summit. The aim of the talks, as the right hon. Gentleman will see if he looks up that reference, the aim of my right hon. Friend the Prime Minister and of our colleagues, is increased stability, to take place within the framework of the assurances that we have been given and to which I have referred.

The hon. Member for Belfast, South, as I expected, made a connection between the subject which he raised —the talks—and the tradition of parades and marches, which is part of the summer scene in Northern Ireland. At its best, that tradition is cheerful and festive, and both communities organise such events. Last year 2,200 parades took place in Northern Ireland of which the police knew, and no doubt there were many of which they did not know. I happened to ask how many there were three days ago, and the answer was 41 on one day alone.

Of course, the parades in themselves are a display of solidarity, but it is a display that can be made without any

sense of insult or provocation to others. Neither the Chief Constable nor I have any desire to interfere with parades of this kind, let alone to impose a general ban such as was imposed in the last days of Stormont rule. Every evening at this time of year, dozens of such parades are taking place in every one of the six counties along routes agreed with the police without difficulty in calm and good-tempered circumstances, as I have seen for myself. The difficulty arises with a few of the proposed parades. Some of those, as the hon. Member for Belfast, South said, are not traditional but have sprung up in recent years in a deliberate attempt to provoke those who live in the streets through which they seek to pass.

One example is the parade at Castlewellan, which I banned last week. More than 90 per cent. of the citizens of Castlewellan are Catholics. The proposed parade was overwhelmingly an affair of outsiders, who wished to put the stamp of Protestant ascendancy upon a Catholic town. I had no difficulty in agreeing with the Chief Constable's recommendation that I should ban that parade in the interests of public order. It seemed to me that the organisers were playing into the hands of Sinn Fein and the IRA, and that if I had allowed the parade to take place I should have merely confirmed the untrue accusations of Sinn Fein and the IRA about the biased nature of direct rule. This year, or some year soon, there would probably have been a sectarian riot. The organisers of the parade, as the House will have noted, tried to defy the ban, and there were scenes of law breaking. Fortunately, the RUC was able to uphold the ban. Those who tried to overturn it did a bad service to Northern Ireland.

There are other parades—I am following the hon. Member's analysis—which are traditional but whose nature has changed over the years. In many cases, that is not the fault of the original organisers. In some cases, crude and provocative bands from miles away attach themselves to what used to be an orderly occasion. In other cases, a route which was once through green fields and passed friendly houses now runs through streets inhabited by the other community. A threat to public order can thus be feared, as at Portadown, in the next few weeks.

The correct answer in such cases—I repeat that they are a small minority—is for the organisers and the police to work out a different route that avoids the danger. I must stress that routes are not a matter for the Secretary of State. Under the law, they are rightly the responsibility of the police and the Chief Constable. The Chief Constable must choose place by place, parade by parade, how far he must insist on re-routeing if negotiations with the organisers break down.

Anyone who has experience of such matters will acknowledge that those are difficult decisions. I am sure that it is right that they should not be imposed from Stormont castle under some general policy. The decisions should be taken individually, as the law provides, by the Chief Constable, probably late in the day, in the light of his assessment of the needs of public order.

Sir John Hermon will have my full support in the decisions that he makes on the routeing of parades. I have heard it suggested—though diffidently by the hon. Gentleman today—that the Chief Constable's actions will be influenced by some form of interference or influence from Dublin. That is not so. The Irish Government's views about provocative parades are not hard to guess, but the Chief Constable's decisions on routes are taken on the ground of public order and stem from the genuine anxieties which he has clearly and repeatedly set out in his annual reports. He follows a policy line that he has openly explained and justified on the ground of public order in Northern Ireland.

The abuse, for provocative purposes, of the parading tradition cannot be reconciled with the need for stability in Northern Ireland. The best way to maintain the good things in the tradition which Opposition Members rightly respect, is to eliminate the abuse.

Without wishing to bore the House with a repetition of the points that I made during our debate last week, I wish to describe what we mean by the search for stability and "a firm security policy under the law"
as set out in the amendment. We mean eradicating terrorism by bringing those suspected of terrorist acts before the courts. We mean keeping the security forces one step ahead through a flexible policy, by overt and covert patrolling, gaining the co-operation of local people and maximising good intelligence.

In this country we have had an important success in the past week or so, as my right hon. and learned Friend the Home Secretary has reported to the House. That success is important for Northern Ireland as well as for the rest of the kingdom. It will bring relief on the other side of the water as well as here. The House will not expect me to say more about that because at present I plainly cannot. The House will have noticed, however, that one of those charged was an escaped prisoner from the Maze. The House will also have deduced that that success was the result of co-operation between police forces within the kingdom, but co-operation does not and should not stop short at the border with the Republic.

I listened carefully to what the hon. Gentleman said about border co-operation. I listened carefully to what the right hon. Member for South Down (Mr. Powell) said when he gave us a long analysis of his views on that subject in our debate last week. He said that although Garda Siochana and RUC worked together up to a point because they shared a profession, no hope of wider co-operation existed because, to a large extent, the political aims of the Irish Government and the IRA converged, and were bound to converge. In his view, security co-operation in any depth was thus a myth. I hope that I have not distorted what the right hon. Gentleman said.

In the day-to-day world of trying to face the problems and trying to find the right answers which will save lives and eradicate terrorism, I do not believe that that negative analysis makes sense, partly because we see, as the Under-Secretary of State for Northern Ireland, my hon. Friend the Member for Chelsea (Mr. Scott) pointed out, the Irish Government making major and successful efforts to combat terrorism. Those holding the positions that my hon. Friend I do must work as hard as they can to find a better and more systematic way of improving the co-operation that exists between the Irish Republic and the north. I believe that that is crucial to any sustained and remarkable improvement in the security position.

Anyone who has studied the facts and reports, for example, about home-made explosives, funds and the flow of weapons would, I think accept that cross-border security co-operation must be a prime aim if we are serious about the subject.

Mr. J. Enoch Powell: Is the right hon. Gentleman so innocent that he is unaware that the Irish Republic lays on

[Mr. J. Enoch Powell]

finds and those operations when they fit the phase in which it finds itself in its negotiations with the British Government?

Mr. Hurd: I do not believe that I am innocent in those matters. I must take them seriously. I am not satisfied with the present level of co-operation. I should like to see it more sustained and systematic. I regard improving it as one of the essential aims of the Government and our security policy. Anyone who studies subject by subject the different sectors of security policy will be driven to that conclusion. I am not saying that that will be easy or that it will be achieved by a few sweet words or meetings. I am not denying the difficulties that plainly exist. I am saying that the aim is central——

Mr. McNamara: The Secretary of State has made an important statement because in the past we have had nothing from the Government Front Bench but praise for the degree of security co-operation that comes from the Republic. Will he tell us in what areas co-operation needs to be more sustained and more systematic so that we can then judge the basis of his argument?

Mr. Hurd: The analysis that my right hon. Friend the Prime Minister and I have consistently given while I have been in this place is that security co-operation is good but that it could be improved. That work is essential to improve the protection available to the citizens of Northern Ireland.

I wish to discuss the role that the security forces play in working for stability, and I address myself, in particular, to Opposition Members.

The Opposition will accept that the security forces—the Royal Ulster Constabulary, the Army and the Ulster Defence Regiment—are not present in Northern Ireland to impose the ascendancy of one community over another. That is emphatically not the purpose for which Parliament and United Kingdom taxpayers provide and sustain the security forces. The security forces are present to uphold the law even-handedly and to protect all law-abiding citizens from violence. There will be no stability in Northern Ireland unless that is true and seen to be true. I hope that Unionist Members will support that intention.

The decisions made by the security forces in attempting to exercise impartiality will sometimes be questioned or criticised. That is inevitable in a free society. I appreciate that there are fears of a slippery slope, that one step, one apparently reasonable concession, will lead to the exaction of another and that the slide will continue until the majority is eventually dragged unwillingly into a united Ireland. I can understand that fear because it has been explained to me cogently many times by people whose understanding of the majority community I respect, but I believe that it is an unreal fear.

The main evil in Northern Ireland is the calculated brutality of terrorism. Another evil, which feeds on that, is the inability in some places and in some sections of community life for the two communities to live in harmony. If Northern Ireland is to flourish there must be growth of co-operation across that boundary. There must be respect between the two communities. Whatever the outcome of the Anglo-Irish talks, we must seek to bring that harmony into existence. The Government will continue to work towards a form of devolution that will command the acceptance and involvement of both communities and enable the elected representatives to play a better, more active part in the decisions that affect the daily life of the Province.

I was glad to hear my favourite sentence from "The Way Forward" quoted today even though it was qualified. We must all keep alive and develop the spirit in which the authors wrote that document. Responsible people need to support the security forces if we are to suceed in bringing about peace and greater stability in the Province. They must appreciate that detailed decisions must be taken in the interests of Northern Ireland as a whole. I have made this point in the past to the hon. Member for Foyle (Mr. Hume) and I am sorry that he is not present for this important debate. I make the same appeal to all Unionist Members.

Mr. James Molyneaux (Lagan Valley): The hon. Member for Foyle (Mr. Hume) told me the day before yesterday that he had an important engagement with the Industrial Development Board in Northern Ireland, which he hoped might lead to further investment in the Province. That is the reason for his absence.

Mr. Hurd: I have clearly been unfair to the hon. Member for Foyle and I withdraw any criticism implied in my previous remarks about him.

In some respects what we ask is not easy. There is a large backlog of suspicions, incriminations, anxieties and feelings of insecurity that Unionist Members face when they return to Northern Ireland. The majority of people in Northern Ireland want peace and stability and regard them as great blessings, but those blessings are not the exclusive gift of Government. The Government have an essential part to play in creating these conditions but the responsibility lies not with us alone but with the elected representatives of the Province, with the community leaders and with the people.

I have tried to allay some of the anxieties that the hon. Member for Belfast, South raised in a calm manner when he opened the debate. I hope that I have shown some understanding of the anxieties that genuinely beset the people of the Province. The Government will not allow the greater stability — which is not yet perfect, but which has grown up in recent years and of which people in Northern Ireland are so proud—to be undone in a fit of midsummer frustration. That stability is too precious to be sacrificed in backlash and counter-reaction. We have seen in the past what lies down that road. That is why I commend the Government amendment to the House.

5.5 pm

Mr. Peter Archer (Warley, West): The hon. Member for Belfast, South (Rev. Martin Smyth) ventilated some interesting thoughts, which I intend to pursue. First, however, I shall venture some reflections, partly philosophical and partly severely practical, which I hope will not fall outside the terms of the motion. The solutions on how best to govern Northern Ireland fall into three categories. First, there are long-term solutions — I use that expression in the sense of the permanency of the proposals rather than the length of time that we need take to achieve them. Secondly, there are medium-term solutions—measures to initiate the process of resolution and reconciliation. Thirdly, there are short-term solutions — measures that can be taken immediately without awaiting agreement on any other questions. I propose to discuss an example of the third category.

Between the hours of 2.30 am and 4.30 am today the House embarked on consideration of two orders of great importance to the people of Northern Ireland. The first embraced a wide range of powers available to local councils to improve the quality of life in their areas. I repeat now what I said then partly because the House was not then so tightly packed as it is now and also because at that hour it was unlikely that my remarks would receive much consideration from the media. I said that anyone who chose that late hour to concentrate his thoughts on future policy for a Chinese laundry would be inviting bankruptcy, yet the Government considered it an appropriate time to consider the future of Northern Ireland. I said that the order related to a wide diversity of powers, approval of one part not necessarily entailing approval of the others, and that there was room for argument about the extent of the powers and safeguards required. But the order was unamendable and the House was invited to take it or leave it in its entirety. There was no possibility of making improvements.

I suggested that it was not beyond our collective wisdom to devise a better way of considering Northern Ireland business, and the right hon. Member for South Down (Mr. Powell), in a kind reference to my remarks, made it clear that, whatever our differences on other issues, here we were in agreement. He suggested on behalf of his party that there might be talks between the Government, the official Opposition, the Official Unionist party and any other party which consented to participate to explore what could sensibly be done.

I mention this matter for two reasons. First, I was brought up in an area where forgings were an essential part of many industrial processes and the work was carried out by blacksmiths, so I learned quite literally what was meant by striking while the iron is hot. The Labour party would welcome discussions for the purpose outlined by the right hon. Member for South Down, and if there is any response we will do our best to contribute to their success. Secondly, what was suggested seems to illustrate the point which I have tried constantly to make, that talks for a limited purpose, with no preconditions that anyone should first embrace or renounce any specific opinion, may make a positive contribution to good government. We may find that we enjoy the process; it may become a habit.

I had hoped that the hon. Member for Belfast, South would suggest channels for agreement whereby his party might contemplate making concessions—that he would recognise the anxieties on the other side and hold out a hand. I say to him in all friendship that I think that he has demonstrated that public speeches are not the best way of advancing these discussions. The hon. Gentleman said nothing that would carry the dialogue any further. He tempted me to reiterate the Labour party's policy but, if I had done so, I would have been repeating what I have said on many occasions. The hon. Gentleman was there on most of them—perhaps he was not listening—but, if it will help, I shall provide him with the references to all the reports.

The Labour party is not unanimous on all aspects of its attitude to Northern Ireland. We are deeply suspicious of parties which are so clear about what they believe that discussion has come to a standstill, that their minds are closed to any new ideas and that they will not consider it possible that they may be wrong. The Labour party is looking and listening to all parties in Northern Ireland to see whether there is any sign among any of them of a new tolerance and a suggestion that, were they in a dominant position, they would be prepared to be generous.

It was right that the hon. Member for Belfast, South and his colleagues sought to use their Supply day for ventilating this issue. The people of Northern Ireland and the people on this side of the water are anxious to know what progress has been made in the talks between the Governments of the United Kingdom and of the Republic, if only because none of us is content with the status quo. The condition of Northern Ireland bears witness to the fact that there must be a better way of administering its affairs than the present way.

In the debate on 26 June the Secretary of State reported that the Government had

"maintained a dialogue with the Irish Government."—*Official Report*, 26 June 1985; Vol. 81, c. 974.]

He said that the details must remain confidential. I understand what the hon. Member for Belfast, South and the motion say—that secrecy breeds rumours and that people cannot resist making guesses, which are frequently bad guesses—but I am bound to say, being as objective as I can, that on this issue I come down on the side of the Government. There are two ways of conducting discussions—openly and publicly at each stage, so that we are all aware of what is happening, or they may proceed privately and, when agreement has been reached or when it is clear that no agreement is possible, the Government may announce the outcome. On many occasions, the open method is to be preferred. In a democracy the public should be provided with the maximum information about what is happening, unless there are good reasons for keeping the matter dark. It cannot be a good reason that it would be politically expedient for the Government to face us all with a fait accompli or that the Government would prefer not to answer awkward questions. Some of us entertain a suspicion that that may be their reason for keeping certain matters dark.

But where two sides are negotiating with a genuine hope of reaching understanding, where they have to explore possible ways of making progress — rejecting some proposals at the outset when it is clear that there is no advantage in pursuing them, and seeking to ascertain where there is already common ground and to find out which issues separate them—the negotiations are much more likely to be successful if they can be assured that a proposal will not be published out of context before the package is agreed, that a proposal which is not pursued will not bedevil progress, and that suggestions are not over-simplified or misunderstood before the details are worked out. In that situation, the two sides can be honest with each other, without having to watch every word because of the emotion that it might evoke. Being as fair as I usually try to be, on that issue I side with the Government.

I would be prepared for these discussions, as with some discussions between Ministers and right hon. Members, to take place privately in the hope that they would enable some progress to be made without public allegations and counter-allegations. What is important is not declamation and drama, but patient hard work on the debate. If I may say so without offence, if the Prime Minister defers calling another press conference until after some progress has been made and then handles the matter with sensitivity and restraint, we shall all breathe freely again. But the

[Mr. Peter Archer]

Secretary of State must not assume that the patience of the public or of the House is unlimited. There comes a time when, understandably, people want to know what is happening and how long they must wait for a resolution of their problems. So I do not complain about the fact that the hon. Member for Belfast, South has asked these questions.

I should like the Government to discuss many matters with the Government of the Irish Republic. One activity, on which I believe all hon. Members would like the authorities on both sides of the border to co-operate more efficiently is the one mentioned by the Secretary of State — security. We would all like both police forces to operate as effectively, as fairly and as sensibly as possible. No one but a lawbreaker would derive any comfort from hearing that co-operation is impeded because of personal friction between senior officers in the respective forces. I hope that the two Governments are considering ways in which recruitment, the command structure and the nomenclature can be made to contribute to a situation in which the police are seen as protecting people of all traditions and are entitled in exchange to the co-operation of people of all traditions.

We should be moving towards a stage where the people of the nationalist tradition can believe that the police are objective and non-discriminating in the way that they discharge their duties so that, in the recent words of Mr. Peter Barry, a young nationalist may join the police without being any the less a nationalist. That objective will not be advanced if some Protestant politicians give the impression that they expect the police to make a distinction between their treatment of the two traditions. I know of no complaints from Loyalist sources when the police have re-routed nationalist marches. But when Loyalist marches have been affected, the police have been labelled as "traitors" and "puppets of the IRA", their actions have been ascribed to the long arm of the Republic and it has become a question of the right of Ulster Protestants to walk on the roads in their own country.

Of course it is legitimate to ask whether a particular march is likely to be provocative or to endanger public order. Of course it makes sense to inquire as a matter of judgment whether police-public relations can best be improved in a particular way. I appreciate the restraint that hon. Members have shown in a difficult situation, and I hope that I am exercising similar restraint. It is easy to capture the headlines; it is harder to resist the temptation.

But those throughout the world who watch events in Northern Ireland have marvelled at the apparent expectation among some Protestant politicians that the police will apply double standards. They have been horrified at the remarks attributed to the Rev. Ivan Foster that he and his associates would identify every RUC man on duty in Castlewellan at the time of the march because

"Protestants are not prepared to have these policemen seeking refuge from the IRA in Protestant villages".

When Protestant politicians appear to expect the police to treat Protestant marches and Catholic marches differently, it is hardly surprising if the same expectation is entertained in some Catholic circles.

I should like to hear that the two Governments have been discussing how they can co-operate to make security measures more effective, but that is not the only aspect where co-operation makes sense. If it appeared that the Government were interested in co-operation only in respect of security measures, that they were concerned only with what the Secretary of State called "stability" but that they preferred in other respects to keep the Government of the Republic at arm's length, that would confirm the view of those who suspect that the Government see Northern Ireland principally as a security problem. My hon. Friend the Member for Kingston upon Hull, North (Mr. McNamara) asked the Secretary of State what he thought of other areas in which there might be co-operation, but I did not detect an answer. I think that the Secretary of State simply reiterated what he said earlier —that security was one respect in which there might be co-operation. I believe that there are other areas where simple elementary common sense calls for more effective channels of co-operation.

Last week we saw an example of where it was demonstrably and manifestly absurd to have two district policies on one island. The Republic has access to natural gas at Kinsale which it regards as a saleable commodity. At the same time, United Kingdom Ministers are closing the gas industry in Northern Ireland, depriving consumers of an option available in every other country in Europe and depriving loyal and skilled employees of their jobs. Let me give another example. It is not for the convenience of travellers that the Republic relies largely on the railway system for its transport, while the north places emphasis on its roads. I have never understood how it could be conducive to securing investment from abroad to have two competing authorities charged with attracting overseas investment. There is much that the two Governments can sensibly discuss.

Last week, too, the Secretary of State told the House:

"The Irish Government have a legitimate interest in what goes on in Northern Ireland." — [*Official Report*, 26 June 1985; Vol. 81, c. 974.]

In reply to an intervention, he said that it was natural that Ministers in the south should have views about what happens in Northern Ireland. He said that there could be discussions about whether present channels for the expression of those views could be improved. We would like to have heard more about that today, but if the Minister judges that, if nothing is said publicly for the moment, prospects for progress will be better, I shall contain my curiosity a little longer.

I hope that the two Governments will not feel constrained in their discussions by any rigid definitions or text-book concepts in the vocabulary of constitutional lawyers. As a constitutional lawyer, I have tried to warn against being hypnotised by that vocabulary. Constitutional lawyers should be the servants of the people and not their masters.

In many ways, the problems of Northern Ireland are unique. We may need to find administrative arrangements which are original, in order to find widely acceptable ways of resolving the problems. I urge the Government to consider first how the affairs of the people can be sensibly administered and their aspirations met. Only then should they instruct the constitutional lawyers to devise the technical format. Words such as "sovereignty" and "citizenship" may not be the ideal tools for the job of initiating discussions. Indeed, they may impede the possibility of agreement.

To reach agreement will require goodwill and concessions on both sides. The Irish Government must demonstrate that the parties to the Forum report were

serious when they said that they recognised the anxieties of the Protestant people and that they would do what they reasonably could to set them at rest. People of each tradition fear the possibility of being at the mercy of the other tradition. The irony is that each tradition finds it difficult to understand what the other side fears. When our Labour party working group visited Northern Ireland a fortnight ago we met representatives of all the parties who would speak with us. It was very noticeable—I shall be interested to know whether my hon. Friend the Member for Kingston upon Hull, North can confirm this—that every delegation we met declared that they were not convinced that, if the other side were in a dominant position, they would be fairly treated. But every delegation declared that, if their side were in a dominant position, they would treat the other side fairly. Each side had doubts about the good faith of the other; neither side could understand why the other should have doubts about its own good faith.

It is not a simple matter of good intentions. It needs imagination and sensitivity to traditions, customs and aspirations which one does not share. That entails two sorts of discussion which are interdependent and which must proceed together. It entails formal safeguards for whoever is the minority at a particular place and time. It means considering ways of sharing power which are not dependent upon the discretion of the majority party in a state or province, or on a council. It may mean considering electoral systems which offer representation to minorities. It may mean considering channels of complaint for individuals or communities if they believe that they have been victims of discrimination. It may mean discussing Bills of Rights and strengthening equal opportunities machinery. I have written to the Secretary of State on that matter.

I recall that Mr. Sean MacBride, in his submission to the New Ireland Forum, suggested a Bill of Rights, which would be subscribed to by both Governments, in cases where it would not be known which side on a specific occasion was the dominant majority, or which side would be invoking the rights of the minority. So each side would have an incentive to care about the rights of minorities. I do not put that forward as a literal suggestion for discussion, but it seems to me that he was on to something.

Mr. J. Enoch Powell: Does the right hon. and learned Gentleman realise that he is describing the parliamentary democracy of the United Kingdom?

Mr. Archer: I cannot believe that the right hon. Gentleman, for whom I have great respect, is so insensitive as not to recognise the distinction between an electoral majority that may change and an electoral majority that is firm, established and permanent.

Mr. Powell: Will the right hon. and learned Gentleman follow the analogy a little further and consider what would be the position if County Durham were treated as separate and self-governing in the same way as we view Northern Ireland? We would almost have a fixed majority and a fixed minority. A conclusion can be drawn from this.

Mr. Archer: I thought that we had established this morning the common ground between the right hon. Gentleman and myself. If we consider powers appropriate to a county council, certain considerations apply, but if we consider powers of a totally different order, other conclusions follow.

Mr. Powell *rose*——

Mr. Archer: I am sure the right hon. Gentleman will forgive me if I discuss this matter with him later. If we turn this into a duologue, it will take an inordinate amount of time. However, obviously there is room for discussion between us and that gladdens my heart because it is what I have tried to establish.

All the devices that I have mentioned may be worth considering in the context of Northern Ireland, even though they are not appropriate elsewhere in the United Kingdom where the problems and needs are different.

A more difficult kind of discussion is about how the people of each tradition, and their leaders, may be helped to understand how it feels to belong to the other tradition. There is probably an urge in all of us to persecute those who are different, just because they are different, because their hair is longer or shorter than ours, or they dress differently, or worship in a different way, or eat a different meal on Fridays. They are different; not worse; not better; just different. If to that urge is added a feeling of insecurity, we have the ingredients of a 17th century witch hunt. It is not to the point to quote examples of people from the two traditions who get on together as good colleagues, or good neighbours or good workmates. Our behaviour as individuals is quite distinct from our political behaviour.

I am conscious that sermons preached about love and charity have little influence on events, especially when preached at a safe distance from the problem. But I have never understood why "do-gooders" is a term of opprobrium. As a personal predilection, I prefer sermons about love and charity to those in favour of hellfire. But if discussions about formal machinery are concurrent with discussions about the promotion of greater understanding, each may help the other.

Of course, the spearhead of the solutions must be talks within Northern Ireland and attempts by the groups and parties there to find a better future together. But I believe that Irish Ministers are anxious, in good faith, to contribute to that process. I do not believe that their overtures are part of a cold-blooded plot to deceive us about their real intentions. I do not believe that there is a calculated conspiracy between Irish Ministers, officials at Stormont castle and RUC officers to deliver the majority in Northern Ireland into serfdom. Those who invent such conspiracies perform no service to the Protestant people.

I believe that the good will expressed in the Forum report was genuine, and that the response in "The Way Forward" was genuine. Questions of whether any good will expressed in the past was genuine do not arise, because until recently nobody expressed any. That is the new factor. A further new factor could be if each side considered the possibility that there might be a genuine desire to find a solution on the other side.

5.30 pm

Rev. William McCrea (Mid-Ulster): Northern Ireland is a part of the United Kingdom of Great Britain and Northern Ireland by the freely expressed wish of the people. The right of any country to self-determination and to choose its own destiny is a fundamental constitutional and democratic principle enshrined in international law. The majority of the people of Northern Ireland have consistently declared through the ballot box their unalterable desire to remain within the United Kingdom.

[Rev. William McCrea]

Every right hon. and hon. Member is aware of that fact. Some hon. Members may not like it, but it is an established and firm fact.

Recognition and support for the right of self-determination for the people of Northern Ireland is an inescapable obligation for those who have respect for the ballot box. It is not the British troops in the street who keep Ulster British and our people within the United Kingdom, but such overwhelming declarations in favour of that union with Great Britain as emerged from the 1973 referendum and from every election since that occasion.

I must state in unmistakable terms that any attempt at any time to force the Ulster people out of the United Kingdom and into an all-Ireland republic will be fiercely resisted with the same grim determination that was displayed in the House by our forefathers many years ago. Historically, culturally, economically — and therefore politically — the six counties which form Northern Ireland have been and still are utterly different from the 26 counties of the Republic of Ireland. Therefore, Irish unification could occur only by the suppression of Northern Ireland's democratic right to and exercise of self-determination.

The leader who dominated southern politics for many years—De Valera—once described Unionists as "a rock on the road" to Irish unification. That same politician said that if necessary that rock must be blasted out of the path. For many years the IRA has sought to do just that. It has sought to blast the Unionists out of existence and those that would be left into an all-Ireland republic. The Ulster Loyalists have never yielded to bombing or to murder. Indeed, their courage and determination has defied every bomb and every bullet.

Alas, Ulster has suffered not only from those who have attacked with the bomb and the bullet, but from some who should be our friends. For many years Ulster prospered. Stability was enjoyed by the Northern Ireland people until plans and schemes began to be laid by those who thought that the best way to achieve the Irish solution was in the United Ireland context. Some even thought that the best way to achieve peace was through a policy of appeasement; a policy of giving in here, there and everywhere to appease the terrorists.

The proposed restructuring of Stormont was admitted by Lord Carrington to be a modification of the principle of pure democracy. That would never have been contemplated but for the savagery of the cruel IRA campaign launched against the Province. The IRA, having served its apprenticeship in the civil rights campaign, began successfully to blackmail politicians in Ulster into a policy of self-inflicted disintegration. Concession after concession was made to appease, but nothing will satisfy those whose only avowed aim is the destruction of Northern Ireland as an integral part of the United Kingdom.

Since the days of O'Neill we have witnessed in Northern Ireland the unfolding of a scheme—continuing today—which, in the minds of those who have planned it, will eventually lead us, ease us and tease us into an all-Ireland solution. The IRA's aim is the same but the political moves and aims are to achieve it deceitfully by stages.

For many years some people in Northern Ireland feared that they would wake up one morning and find themselves in a united Ireland. If that had been possible, it would have been done already.

The purpose, the plan and the design of politicians in some parts of the United Kingdom is, little by little, to ease Northern Ireland out of its ties with the United Kingdom. It is clear that London and Dublin are engaged in attempting gradually to integrate Northern Ireland with the Irish Republic. Ever closer co-operation between north and south and an increasing number of social and economic plans have been foisted upon Northern Ireland in an attempt to condition the people into thinking that their real affinity lies, after all, with the Irish Republic and not with the rest of the United Kingdom. It is a devious plan and ploy.

Many hon. Members are forthright in their declaration of what they desire. Others are more underhand. Unification by degree, by stages or little by little, is anathema to the Unionists of Northern Ireland. The Northern Ireland people resent the neutral stance adopted by successive British Governments about the Union. Westminster refuses to declare itself in favour of the Union, but some Opposition spokesmen make no bones about it. They would like a united Ireland, but they add the rider that they want it by peaceful means and not by the bomb and the bullet. However, others in the House say that they have no preference and that if the people want to go into a united Ireland, let it be.

Where are those who desire the Union? Why is there always a neutrality? Why does not the rest of the United Kingdom clearly state that Northern Ireland, like Scotland, Wales and England, should be a part of this great United Kingdom?

The IRA interpret that as a signal that the British Government will not stand in its way — the way of unification—if it can persuade Northern Ireland to join a 32-county republic. It derives encouragement and succour from attempts by the British Government to move gradually in the direction of an all-Ireland republic. I have heard many right hon. and hon. Members on both sides of the House and Unionist politicians express that view. The purpose of this and successive Governments has been the easing, or setting adrift, of the strong links that have been forged between Northern Ireland and the rest of the United Kingdom.

Such measures would be an insult to those who have died or been injured in Northern Ireland and victory for the barbaric campaign of Republican terrorism. I demand in the name of those who elected me—I therefore have a democratic right to say it—that the current discussions with the Government of the Irish Republic be brought to an immediate end. Because of the past, people are suspicious of the words of politicians. People do not really trust what politicians say—they believe that their words are chosen to suit the occasion. Indeed, when the Secretary of State or others come on the television screen in Northern Ireland and say categorically that there are no moves to ease Northern Ireland out of the United Kingdom, the people of Northern Ireland become suspicious. Many of their suspicions are later found to be true.

The people of Northern Ireland are forthright and open. They like to call a spade a spade, and they say exactly what they mean. If the Government have certain designs for the Province, the people would far rather hear them said to their faces than through one of those leaks or kites that are

often flown by the press. Not all of what the papers suggest is derived from uninspired leaks. Many are deliberate leaks to assess the temperature and what the people of Northern Ireland will accept. Surely it is about time that the majority in Northern Ireland asked the Government to come clean about the negotiations and talks with Dublin.

It is a disgrace that the future of British Ulstermen is being discussed, yet no member of the majority is made aware of what matters are under discussion. Some hon. Members may say that no member of the minority knows. That is clearly not true. The Government can inform the Reagan Administration about the core of the negotiations between the London and Dublin Governments. The Dublin Government make no bones about the fact that, when the hon. Member for Foyle (Mr. Hume) makes his weekly flight to Dublin to hear the next episode in the story, they are happy to tell him exactly what stage the negotiations are at and what the negotiations are about.

The majority, whose future is at stake, are kept in the dark about these discussions until some conclusion has been reached. With the greatest respect to the minority, the majority community should know what is discussed. It is only then that the Loyalists and the majority community can give their answers to the proposals under discussion and acknowledge the truth of the situation.

The Government's amendment

"invites the Government to continue to promote measures which encourage peace, stability and good relations between the two communities in Northern Ireland".

That sounds very good. Everyone wants

"to continue to promote measures which encourage peace"

yet insensitive measures have been taken during the past week concerning the re-routeing of traditional Loyalist parades—I join the right hon. and learned Member for Warley, West (Mr. Archer) in saying traditional Loyalist parades. Those insensitive measures have been taken at the request of Mr. Peter Barry—a Foreign Minister with no responsibility to the Government or to the people of Northern Ireland. This action, taken at the request of Mr. Peter Barry, Sinn Fein and the SDLP—the Republican trio—does nothing to instil hope into the hearts of Ulster people.

As for the Secretary of State's statement about the Chief Constable's decision, I remind him, as an Ulster Member of Parliament, that the local chiefs of police in Cookstown did not want the parade to be re-routed. They made it absolutely clear that the Chief Constable's decision was not a decision which they recommended for the preservation of order in Cookstown, which is part of my constituency. There had to be another motive for that re-routeing—because Sinn Fein wanted it. Loyalists have to sit in local councils with Sinn Fein. Last evening, I talked to colleagues in the border area of Strabane who told me, as it has been announced, that a Sinn Fein councillor is being questioned about murderous activity. Because my fellow Loyalist councillors will not sit at the table with Sinn Fein, they were ordered out by the SDLP chairman of the Strabane district council. Such actions and the SDLP's close associations with Sinn Fein instil little hope of that party encouraging the return of stability to Northern Ireland.

The IRA and similar organisations cannot be eliminated by new structures of government in Northern Ireland or by any political settlement. We are told to get ahead with the political settlement of Northern Ireland—has everyone forgotten that the IRA is not concerned about political stability in Northern Ireland? It will give no allegiance to any Government, with or without cross-community support. It must still be tackled and dealt with.

I am delighted that the Government have stated clearly that it is their policy to eliminate terrorism. After 17 years of trouble under the policies pursued by successive Governments, it is about time for an assessment of whether the policy is working. The Government's amendment

"recognises the need to maintain a firm security policy under the law."

Perhaps I may remind the House of a recent international terrorist action concerning American hostages which all right-thinking politicians condemn. We are delighted that most of the hostages have been released and pray that those still being held in Lebanon will also be released.

I understand that the American Administration are offering money for information about the whereabouts of the person who hijacked the plane and, to go even further, the person who shot the young service man. Would anyone suggest that Mr. Reagan would consider offering money if he was going through the usual processes of the law? Is he asking the Lebanese to deal with their terrorists? He is not. The American Administration desire to eliminate that terrorist so that he can never again commit his dastardly deeds.

The Government know the whereabouts of well-known IRA murderers who have a safe haven—I know that certain Ministers do not like to hear that mentioned—in the Irish Republic. A place called Provohill contains some of the most beautiful houses and bungalows built in the south of Ireland, paid for with money from skulduggery. Those terrorists sit in the south of Ireland without fear of arrest or harassment. They enjoy the fruits of their terrorism.

If the south of Ireland wants to prove the sincerity of its friendship, let it come up with a proper extradition treaty so that those guilty of the most vile atrocities can be brought to justice in the United Kingdom. It is only with the military defeat of the IRA that peace can be restored to Northern Ireland.

The Republican politicians who insist that only the adoption of policies leading to a united Ireland can bring peace are using IRA terror to blackmail the Unionists and the British Government into submission. The violence of IRA murderers cannot be allowed to succeed. The people of Northern Ireland are remarkably resilient and restrained in the face of the most violent of atrocities. They want only that which is their inalienable right—to live as British citizens and to go about their daily business in peace.

There are those in Northern Ireland who want the Province destroyed. However, the vast majority of people in the Province want stability. They have no desire to ride over the heads of others who hold different opinions. It is all very well for a minority group to have a dream. We have heard of the dream of some people in the United States centred around Martin Luther King. There are those in Northern Ireland who dream of a united Ireland. However, it is one thing to have a dream but another to murder and destroy the vast majority of people to achieve that dream.

Northern Ireland needs stability. The real needs of its people can be served only by the restoration of a proper devolved Government to the Province. Such devolution must be based on established British democratic principles. Our Stormont has been destroyed. Our Parliament has been taken from us. Local government has

[Rev. William McCrea]

been destroyed by the presence of Sinn Fein. There are those in government who tell us that Ulster people will be held to ransom—that either they will move or they will never again have control over their own affairs.

The Government have given the SDLP a veto on progress in Northern Ireland. Because its representatives will not serve in the Assembly, there are those who are crying out for the Assembly to be closed. A great deal of good work has been done by those who have attended the Assembly. The Minister must acknowledge that many changes in legislation affecting the lives of people in Northern Ireland have been brought about by the Assembly committees. That is to be welcomed. There is a desire to move a step forward.

The Government must tell the SDLP that Northern Ireland's future is within the United Kingdom and that it must reach an accommodation with the Unionists to ensure that future. Holding the possible carrot of the intervention of Dublin in our affairs will never bring reality into the position or force reality upon the minority community in Northern Ireland. I say with all my heart that if realism was brought to the SDLP, and if it was told that the future of Northern Ireland lay firmly within the United Kingdom, the SDLP would be forced to sit down and talk genuine business with the Unionist community.

It must be laid clearly on the line today that the Unionists offered clear and genuine discussions with the SDLP. I trust that it will turn its back on its new-found friends in Sinn Fein and return to sanity and reason so that there can be a future for the people of our beloved country. May stability soon be restored to our Province again. I know that it is for this House to dictate the terms to Ulster. I know that it is in the hands of the House to tell it what it must do. But this House must also remember that the people of Ulster have it in their hands to make the final decision.

5.57 pm

Mr. Ken Maginnis (Fermanagh and South Tyrone): During the past week I have had the task of studying the consultative paper on police complaints and discipline, collating the opinions of my party colleagues and submitting them to the Secretary of State. I wish to quote two sentences from the report. One states:

"Despite the fact that all complaints are investigated by senior and experienced officers, it seems apparent that this has not proved sufficient in all cases to sustain public confidence in the complaints system."

The other states:

"every effort should be made to ensure that the Royal Ulster Constabulary is acceptable to all law-abiding people in Northern Ireland."

When I see such a statement in a Government report, I begin to wonder what on earth they are doing to the RUC. Those two sentences give the impression that the RUC is not a force of which we can be proud and not one that has served the community so well over many years.

During the past 15 years there have been many reports on security, the judiciary and methods of dealing with terrorism in Northern Ireland. There must have been eight, 10 or 12 reports. They range from the Hunt report to the Bennett report. Each of the reports trots out the same old arguments and adjustments are made—yet what is the outcome? Within our community there is a section that is never satisfied, so we must have yet a further report and further concessions to try to satisfy the insatiable. It seems typical of the Government's apparent will to be subservient to all except those law-abiding citizens and the law enforcers who work under such difficult circumstances in Ulster.

This afternoon, we listened to the Secretary of State saying that our motion was commendable and he approved of it but that the Government had to modify it. Can anyone tell me how the motion diverges from the opinion we expressed in our document "The Way Forward", and will the Government find it necessary to push us a little bit further and a little bit quicker when my party is trying to be responsible in facing the issues that confront us? Are the Government of the opinion that by doing that they can dissuade terrorists from continuing with their terrorism? Surely they have learned their lesson after 15 years.

A French criminologist, Jacques Léanté, said:

"Terrorism is an act of communication."

We know that it is other things as well, but I draw that phrase to the attention of the House because, during the past week the Secretary of State has complained to me that he is finding things very difficult. He complains that his efforts towards progress are being stymied by rumour. He is right. The difficulty is that law-abiding citizens, ordinary men and women in the street, do not know what is happening in our Province.

There is a lack of information coming from the Government as well as misinformation. A good example of that was given by my hon. Friend the Member for Belfast, South (Rev. Martin Smyth). He observed that the Secretary of State had told us that he had received no communication from the Irish Republic about parades. The Secretary of State could have gone further and said that his right hon. Friend the Foreign Secretary, has had communication. So there is misinformation to some extent.

Unfortunately, the Secretary of State was grossly insulted last week during a meeting at which I was present. I deplored that insult to a member of Her Majesty's Government, which was uncalled for. However, there has been some ambiguity in what the Government have told us and what has emanated from the Northern Ireland Office for the past 13 years. People become sceptical and disheartened and suspicious. Over the years, the people of Northern Ireland have seen the liaison by the Government with the Provisional IRA. It took place against the sound, solid and reasoned advice of members of my party. The Government were told, "You cannot deal with those people, they are terrorists. They are not prepared, irrespective of what indications they may appear to give, to deal with a democratic Government in the normal way." That advice was not heeded and the liaison was a disaster.

We advised also against political status. That was not heeded and the result was disaster. We advised against the setting up of a Sinn Fein advice centre. The Government gave the Provisional IRA money and said, "Go and take over that incident centre or that advice centre." That was a tremendous boost for the IRA. Again, the Government did not listen to our advice.

More recently, we told the Government, "Do not allow a person who says he is going to the ballot box with an Armalite in his hand to take a seat in local government." Again, they did not take our advice. Unionists are blamed if they do not keep their councils peaceful. It is very difficult for Unionists to keep the councils peaceful when they are sitting opposite people who they know have been

involved with murders and in murder. Some councils are succeeding. It is not for the want of trying, but I believe that most councils have not succeeded. I accept that there are one or two councils where a wholehearted effort has yet to be made to overcome the handicap of having a Sinn Fein member sitting in the chamber. I hope that all our councils will endeavour to overcome that handicap in a way which will not allow these killers to enjoy propaganda. We suffer from Provisional IRA-inspired propaganda and the IRA will do its best to drive the ordinary decent person in the Province over the brink. The Government must endeavour not to help them.

I shall contrast what happens in the Irish Republic with what happens in Ulster when we deal with Provos. A week ago there was the sad murder of Garda Sergeant Morrissey. A member of the Provisional IRA was arrested and charged with his murder. On 2 July in *The Irish Times* we saw a photograph of a screaming suspect being shoved into a car by five burly policemen. In the *Irish Independent* we saw a photograph of a suspect who was having to be virtually carried into court from the hospital by two members of the Garda Siochana. If that had happened in Ulster it would have been called police brutality. The Americans would have been involved, hon. Members would have been involved and the Government of the Republic of Ireland would have been deeply involved in protesting about police brutality.

When a complaint was made in court about the treatment of the suspect, the judge said that there was no case. He did not take Provo propaganda at face value. Let me make it perfectly clear, I am not criticising the Garda Siochana. I believe it has done a difficult job in facing up to the IRA when it has endeavoured to subvert law and order in that country.

Fifteen years ago it was the Ulster Special Constabulary and the Royal Ulster Constabulary which were guilty of a not very clearly defined crime against the minority community. Then it was the Ulster Defence Regiment and now it is the judiciary. Next it will be the police. Away from the forces of law and order it has recently become the Orangemen. Why does the Northern Ireland Office give credibility to those who continue to spew out this vitriolic propaganda against our people?

Can we not look at what has really happened over the years in Ulster? Can we not realise that for the last 15 years, in the face of an IRA onslaught, the Orange institution has stood out against any retaliatory violence? I can say that because I am not a member of the Orange Order. That stand should make the order proud of its tolerance and its strength. It has stood in a way that should make the Government and the Northern Ireland Office a little less sensitive about propaganda relating to traditional marches.

How wrong I found the Secretary of State to be this evening when he talked about the parades being cheerful and festive. Indeed they are cheerful and festive, but that is not their purpose. The purpose is to enable those who have a Protestant and Unionist heritage to demonstrate it in a lawful way. He is telling us we should not go into certain areas because we provoke the minority. How on earth could the Orange Order, which has protected the minority for many years and stopped retaliation against it, be provocative? Is it not a great deal more provocative that the nationalists who are in charge of Londonderry council have done their best to alienate the Protestant community? They have driven that community, including the last policeman who was murdered, from the west bank of the Foyle.

When the nationalist-controlled council in Omagh took over it stated categorically it was all right to kill council employees who were members of the security forces. Has the vice-chairman of Magherafelt council not said he would not dispute that point because he believes that the dictates of the Irish Republican Army council are correct? In the face of that provocation, how can the Secretary of State ask the Unionist people to give up their right at least to show that Northern Ireland is Unionist and part of the United Kingdom? That is what we would be doing if we gave up our traditional parade routes.

He is saying, "Of course, those routes have changed. Members of the minority community now live along those routes and you did not have that 20 or 25 years ago." He is really saying, "You must allow yourselves to be driven out bit by bit and you must concede to the sort of philosophy which exists in Londonderry, Omagh and Magherafelt." He must understand that that is the way my section of the community looks at things.

Mr. Roy Beggs (Antrim, East) *rose*——

Mr. Maginnis: I should prefer not to give way.

Dublin's role is treated with suspicion. Can we forget that Charlie Haughey was tried for supplying arms at the very start of the troubles; that the money for those arms was laundered through a public company in the Irish Republic? Can we forget that on every possible occasion Peter Barry and Mr. Noonan have done their best to discredit the Ulster Defence Regiment? Despite his overtures, the Taoiseach himself, Mr. FitzGerald, delivered in America a speech which was harmful to the work being done by our security forces and endangered the lives of people in them.

Unfortunately, our greatest difficulty is getting proper liaison with the Northern Ireland Office. I should like to read to the House a letter I had from a Minister's office in the Northern Ireland Office. I will leave the Minister unnamed, but I was told he would be undertaking an official engagement in my constituency. The letter went on:

> "Considerations of security oblige us to confine advance notice of the details of the visit to those directly involved, and I regret that for this reason I cannot be more informative about his visit to your constituency."

Does that Minister not realise that I hold a commission from Her Majesty; that I am a member of the Select Committee on Defence of this House, and that I have had the privilege of a top-secret briefing in the Pentagon and in defence establishments in this county? Does he believe that he can trust me less than he can trust a civil servant? Does he forget that Bill McConnell, a prison officer, was murdered at the behest of someone employed in the Civil Service? I do not want to condemn all civil servants.

Mr. Hurd: The hon. Member's criticism of the letter he received has been brought to my notice and he will receive a letter of apology. There is a real problem here which he is familiar with and which we cannot discuss now. It is one to which we have not yet found the right answer and I want to discuss it with the leader of his party and with the party.

Mr. Maginnis: I thank the Secretary of State for his response. I ask him to think in terms of the majority community. I am not talking about the majority Unionist

[Mr. Maginnis]

community, but about the majority who want to live in peace one with the other. He cannot continue to place himself in the middle as a referee. I do not need my dealings with my Catholic neighbours to be refereed by anyone. I am willing and able to conduct my own liaison with my Roman Catholic neighbours and I am able to live at peace with them. I believe the vast majority of them wish to live in peace with me.

I want to see the Secretary of State dealing with a situation of which he is aware: that in one county in my constituency 73 murders have been committed. Six of those were murders of Catholics by Protestants. Four of them have been solved, but 67 of them have been murders of Protestants and Roman Catholics by the IRA and not a single one has been solved. I want to see the Minister dealing with that and I want to see him dealing with the rights and interests of the RUC and the UDR. I want to see UDR full-timers having a proper career structure and I hope that he has been making overtures to the MOD about that.

Some of our full-time police reservists have been serving for 12 years and I want to see them being given pension rights because they are being treated abominably over security of employment. I want to see our elected representatives who want to work, who are willing to work and who have tried to work for peace, being given an opportunity to do so without undue interference from another country, the Irish Republic.

6.19 pm

Sir John Biggs-Davison (Epping Forest): The hon. Member for Fermanagh and South Tyrone (Mr. Maginnis) said that he was not a member of the Orange Order. I have some Ulster ancestry, but I am ineligible for membership of the Orange Order. However, the hon. Member for Belfast, South (Rev. Martin Smyth) knows that I respect the modern Orange Order as a legitimate expression of loyal sentiment and Protestant solidarity that has generally proved to be a responsible influence for restraint in the present troubles. I therefore understand how keenly Northern Ireland Members must feel at the curtailing of traditional parades by the authority which they support. It seems a poor reward for moderation, yet it is far-fetched to allege that the re-routeing of a parade is the result of a diktat from Dublin.

I myself heard Mr. Peter Barry lay somewhat exaggerated claims to a locus standi in respect of Northern Ireland, but we must expect the Irish Government to express opinions to Her Majesty's Government when the affairs of the United Kingdom and the Republic are so closely knit and we seek ever closer collaboration between our respective security forces.

There is nothing new in southern representations about the minority in Northern Ireland. In 1922, Sir James Craig was talking in London to Michael Collins and assuring him of arrangements for the protection of Northern Catholics.

The motion is founded on "conflicting unofficial reports", but during today's business questions the Leader of the House said that we do not base our business on press speculation. That is not the proper foundation of public policy. It is for the Government to judge how, when and where it is best to carry on diplomacy and dialogue on matters of common concern to the kingdom and Republic, and it is then for Parliament to assess the results. However, I agree with what has been said about cause for suspicion due to lack of information. I think that the Secretary of State had sympathy with the suggestion of a White Paper.

The Secretary of State is responsible to Crown and Parliament for law and order in the Province and the Chief Constable has his own independent part to play. I hope that the statement issued by the RUC will be placed in the Library. Part of it states:

"It should be clearly understood that it is the duty of the police to maintain community stability and public order at all times regardless of the political or religious persuasion of those who threaten or challenge the peace."

It adds:

"The number of parades has increased and, regrettably, in some instances the standard of conduct has deteriorated . . . It is intolerable that police officers carrying out their duty should be subjected to abuse, personal threats and physical injury, as has happened on several recent occasions."

The decisions that the Chief Constable and Secretary of State must take are unenviably difficult. Let us suppose that all parades proceeded according to custom and that serious rioting resulted. The police and the Government would be assailed from all sides. However that may be, the shenanigans at Castlewellan and Cookstown and the disturbances in the Shankill are a disgrace. So is the blackguarding of the Secretary of State in the Northern Ireland Assembly by a member of the Democratic Unionist party. I would have expected the hon. Member for Mid-Ulster (Rev. William McCrea) to express some regret at what happened, even if the leader of his party, the hon. Member for Antrim, North (Rev. Ian Paisley), is unable to be present to do that himself.

Rev. William McCrea: Will the hon. Gentleman give way?

Sir John Biggs-Davison: Very briefly, because I intend to bring my remarks to a close very shortly.

Rev. William McCrea: The hon. Gentleman can take it from me, on behalf of my colleagues, that we genuinely believe that the Secretary of State clearly misled the people of Northern Ireland. I therefore make no apology on behalf of my colleagues. Indeed, other members of the Assembly —including the Chairman of the Committee who was interviewed on television—agreed that the right hon. Gentleman should be told that he had made such misleading statements.

Sir John Biggs-Davison: I regret that I gave way to the hon. Gentleman. Those who want thus to display their loyalism should understand that they are opening a breach in the national unity of the United Kingdom at a time when a diabolical conspiracy to blast men, women and children in our mainland resorts had brought it home in Great Britain that we are all caught up in one anti-terrorist struggle and that we must win it together.

There is admiration on this side of the water—perhaps there should be more—of the restraint of the majority in Northern Ireland through more than a decade and a half of Republican terror. But there is scant sympathy on this side of the water for those who beat drums at the doors of those in whom those drums inspire an atavistic dread. There is no sympathy at all for those who would press an insistence on traditional observance to the point of conflict with the hard-pressed RUC who have dared and endured so much and for whom the hon. Member for Fermanagh and South Tyrone spoke so well. Unfortunately, it is a far cry from the times when, for

example, the events of 1689 could be commemorated in Londonderry by both bishops and the whole community of that great city.

I conclude with a few words on the political and constitutional aspects of stability. I suspect that Ministers are now beginning to realise that the Northern Ireland Assembly is more limited in its role and potential than in its cost to the taxpayer. The fullest administrative devolution is desirable, but legislative devolution in any terms acceptable to Parliament is impracticable. The agreement would not exist.

The right hon. and learned Member for Warley, West (Mr. Archer) spoke of one tradition being fearful of domination by the other tradition. Surely the lesson of Stormont, with all its virtues, is that the minority is safest under Westminster. We are told that that is second best, but it is a second best that least divides the people of Northern Ireland and allows co-operation with Dublin to proceed unbedevilled either by separatist hopes or Unionist fears.

6.27 pm

Mr. Kevin McNamara (Kingston upon Hull, North): Because of pressure of time, I shall not comment on the argument advanced by the hon. Member for Epping Forest, (Sir J. Biggs-Davison) about the future of institutions in Northern Ireland.

I wish to address myself to the content of the speeches that have so far been made by hon. Members representing Northern Ireland and to what they have not said. They have spoken passionately about stability, but not one has to any extent addressed his mind to the problems of the minority and why, among the minority population, the great majority find it very difficult to accept the role of the police and the UDR. No Northern Ireland Member has said why those two institutions, which are responsible for maintaining law and order and stability, do not have the support of that population. When one adds to that the problems that we now face over the reported statements and attitudes of the judiciary on aspects of co-operation with the Republic of Ireland, it appears that those institutions do not, and cannot, at present have the support of the minority.

It therefore behoves members of the majority to go out of their way to say something positive to help their fellow citizens to arrive at that support for the institutions within Northern Ireland. All the speeches to which I have listened so far, and I have heard them all, have failed to do that.

The amendment talks of trying to achieve some cohesion between the communities. What positive acts will the Government take to try to achieve the allegiance of the minority population to the institutions of the state? By "allegiance" I do not mean that they must necessarily feel that they have to surrender their identity, that they must be loyal to the Union Jack or anything of that nature, but a general sense of feeling and confidence within the community that they will be treated fairly. That is what I am looking for, no more. There need be no surrender of identity. They feel that this does not exist in the community. It is a question not of political or national aspirations, but of a general feeling of fairness. They do not believe that in the institutions of security within the state—whether it is the RUC, or, more particularly, the UDR, and now what is happening in the judiciary—they are likely to be treated fairly. Until the Government can come forward with positive proposals which seem to the minority community to do that, the stability that we all want to see, whichever way we see the future of the Province, is not going to be present.

My second point relates to the question raised by the Secretary of State about suddenly throwing suspicion on the support that he is receiving from the Government of the Republic in terms of security. I should be grateful if the Under-Secretary of State could enlarge upon those areas where he feels the Republic is not giving 100 per cent. support to maintain security, to hunt the terrorists and to cut the power of those who seek to destabilise both communities.

I say to hon. Members from the whole of the Unionist tradition, whether it be Conservative and Unionist or Ulster Unionist, that they cannot expect the Republic of Ireland to shoulder the burden of security and not have a powerful voice and interest in saying, "What are the causes of instability which cause us as taxpayers to have to put so much of our wealth into security?" Those figures show that their spending, in percentage and per capita terms, far outweigh spending in the United Kingdom as a whole. Therefore, it must be accepted that if we expect to have responsibility and co-operation from the Republic, we cannot expect the Republic not to take a powerful and realisable interest in what is going on within the six counties.

6.33 pm

Mr. James Couchman (Gillingham): Last Wednesday I sat in this Chamber for four and a half hours listening to the debate on the continuance Order for the Northern Ireland Act 1974. It was a singularly dispiriting experience and I found myself becoming ever more depressed, It would be invidious to offer a critique of each of the lengthy and barren offerings to which we were treated. The verbal cock-fighting came as no real surprise, but the speech of the right hon. Member for Lagan Valley (Mr. Molyneaux) left me with a feeling of hopelessness such as I have rarely felt. In short, during his bleak speech he offered no hope that the intractability of the Northern Ireland situation as it is presently cast will ever give way to the sort of discussion and consultation that can lead to a lasting political solution. For those of us who hope, perhaps naively, for an end to the tragedy there was scant encouragement from last Wednesday's proceedings.

English Members are reticent about fishing in the muddy waters of Northern Ireland politics and reluctant to intrude in what seems like a family affair. That circumspection in no way lessens the concern we feel about the continuing violence and political instability in the Province. If Northern Ireland politics was purely the domestic concern of Ulster politicians then I should be the last person to consider himself qualified by two brief visits during the last year to offer any thoughts at all on the situation. But of course there is an English dimension, even a dimension impinging on my own constituency in south-east England. There is the dimension of transfer payments from east to west across the Irish sea each year to support the Northern Ireland economy. There is the enormous dimension of our troops being in Northern Ireland for 15 years and being killed and maimed for a time longer now than the two great wars, the Boer War and the Korean War put together. That, incidentally, is where my own constituency is concerned because in that constituency is the Royal Engineers military engineering school and a regimental headquarters.

[Mr. James Couchman]

In terms of the life of this House, Northern Ireland politics consume a great deal of the energy and time of Government Ministers and hon. Members. I feel constrained to speak for just a few minutes this evening because of the gloomy reports emanating from the English-Irish talks presently going on. It has been suggested that some right hon. and hon. Members almost hope that they will fail. I believe that that attitude is utterly wrong, because to deny any Irish dimension to the Northern Ireland situation is to bury one's head in the sand.

I would be the last person to try to force upon the majority population any form of union consideration or even closer liaison with the Republic against the majority wish, but it is unrealistic to say that there is no Irish dimension. I recognise all of those features of Irish life which make and maintain the division between the communities. I recognise the feeling of vulnerability on the part of the majority population when viewing any constitutional or structural change that has as its aim closer relations with the Republic.

I understand and recognise the essentially tribal dimensions of the Northern Irish situation but I am forced to ask just how long we must wait for the Northern Ireland politicians — most of them are in the Chamber this evening—to use their influence to bring some sense and sanity to the situation and to allow talks to develop which may lead to a lasting solution. How long will it be before the House may dare to see an end to all the Acts it has had to pass in recent years to maintain some semblance of order in the Province? How long will the economic life of Ulster be disrupted by violence? How long will the bomb and the bullet continue to subjugate the ballot box?

It is a cliché to suggest that only a political solution can defeat the gunmen in Northern Ireland, but it is true. That is the only lasting way to peace. I beg all those who are influential in Northern Irish politics and affairs to examine their position, to review their stand in relation to the present discussions and, what is more, to use their influence to foster any political initiative that may emerge. The rapid collapse of discussions and initiatives of last September, if repeated, can only deepen the despair and bitterness on which the violence and hatred thrives. There must one day be an end to the intransigence and intractability on both sides if a just solution is to be reached. I would ask that people use their influence to make that intransigence give way to what is a very simple goal—the peace in the Province to which we all aspire.

6.37 pm

Mr. Harold McCusker (Upper Bann): Like the good Presbyterian he is, my hon. Friend the Member for Belfast, South (Rev. Martin Smyth), when he moved the motion, defined stability. I felt that he had missed the most significant aspect of stability — that it is a relative phenomenon. I suppose it is self-evident that what would be considered constitutional stability in the Lebanon or Cyprus would be a nightmare in Norway, Sweden or Switzerland. What might be considered a stable internal security situation in Spain certainly would not be tolerated in the USSR. Just as stability is relative between countries, so it is relative within countries. I am not simply talking about what we might mean by stability in Northern Ireland vis-a-vis stability in Great Britain—we have evidence during the past year of variations in what might be considered stability between Yorkshire and perhaps the south-east of England.

I do not aspire to the values of Chelsea or Bath or any of the other areas where stability would be much admired by many people in this House. I do not in any way criticise those people who hold strongly to the personal and social values associated with those communities. Equally, I hope that they would not belittle the personal and social values which I hold in Northern Ireland and which make Northern Ireland distinctive within the United Kingdom, just as there are certain characteristics which make other regions of the United Kingdom distinctive.

All we can hope for is relative stability. The hon. Member for Gillingham (Mr. Couchman) may wish fervently for peace, but he may have to conclude one day that peace as he defines it may never exist in Northern Ireland. He should not be reticient about getting into what he describes as a muddy pool. England helped create the muddy pool. The House contributed substantially to the muddy pool, if it is there, and every hon. Member in the House has a responsibility to deliberate upon what goes on in that muddy pool. We look forward to hearing other contributions from the hon. Member.

I should like to see a return to relative stability. I would prefer it to be the stability we had prior to the terrorist campaign but I would settle for the relative stability of the 1977-79 period when public confidence in Northern Ireland reached its high water mark of the past 17 years. Public confidence is the key to stability. Public confidence does not mean obtaining the confidence of the majority of the minority. If it is achieved by that means, it is being bought at too high a price, especially if the public confidence of the majority of the majority is being sacrificed. That is where the balance has gone wrong.

Since 1979 public confidence has ebbed away. Occasionally the ebbing away has been stemmed by the actions of the Prime Minister when she has intervened, but the incompetence of 1980-81, the double talk and double standards of 1981-84 and the ambivalence of 1985 have caused public confidence to drift to its lowest point in the past decade.

I do not want to allude to any single issue as causing the fall in public confidence. There has been a combination of factors—the Anglo-Irish process and the collaboration of the Government with the Sinn Fein exploitation of the ballot box and the bullet. If we layer on top of that the inept handling of the parades issue, we find ourselves standing on the edge of an abyss that has been created by the Government. A fortnight ago there was controversy and concern in Northern Ireland about the first two points, but everything has been brought to a head by the inept and ham-fisted handling of parades.

Let me go back to the Anglo-Irish process that is sometimes referred to as a dialogue. There are four parties to the process — Her Majesty's Government, the Irish Government, the Social Democratic and Labour party and the Unionists. Two parties, I presume, know what they are talking about. A third, the SDLP, pretends to know, thinks it knows or perhaps does know what the other two parties are talking about.

Mr. John David Taylor (Strangford): The Dublin Government meets the SDLP after each meeting of the two Prime Ministers.

Mr. McCusker: My right hon. Friend tells me that the SDLP is invited to have consultations with the Irish element of the dialogue. Unionists do not have that advantage. We are not consulted or advised by Her Majesty's Government; we have to glean what we can from the leaks to the press and from what the SDLP tells us. Clearly someone is lying. I do not know who the liar is. The deputy leader of the SDLP has assured us during the past few weeks that the Foreign Minister of the Irish Republic has persistently raised the issue of parades with Her Majesty's Government as part of the on-going process.

When my future and the future of my children are at stake, it is not good enough to be told that the discussions have to be kept in confidence and that we cannot be told what is happening. If the Secretary of State tells me that, he will raise my suspicions and the suspicions of others in the community. Equally, he cannot say to me that issues such as security strategy, future forms of government and police tactics are not part of the discussions. They must be an essential part, or the Irish Government would not think it worth while to continue the discussions. Those matters raise genuine fears.

I noticed that some of the Ministers in the Northern Ireland Office laughed when my hon. Friend the Member for Belfast, South said that, whether or not these things are facts, the people of Northern Ireland believe they are facts. They do not need politicians to tell them lies or to raise their fears. The people feel it in their hearts.

Whatever number was in Portadown last night, whether it was 20,000, 30,000 or whatever, it was a very large number. It was a bigger number of people than I have ever seen in Portadown before, and I have lived there for the best part of my life. They came there with little exhortation from politicians. They were there to react not simply against the ban on parades but against the Anglo-Irish dialogue and the exploitation by Sinn Fein of the ballot box and the bullet.

The bland assertion of the Secretary of State that Sinn Fein can be out-manoeuvred and out-voted, and that it is important that the world should see how little real support it has at the ballot box, does not wash with a community that has had to take so much from Sinn Fein. We now know that a former Sinn Fein candidate is part of the group that has been arrested in connection with the planned bombing campaign on the mainland, that an elected Sinn Fein councillor in Northern Ireland is being questioned about terrorist offences, and that some Sinn Fein councillors are convicted terrorists. They were able to stand for election only because there is automatic remission of 50 per cent. of prison sentences in Northern Ireland. The one advantage that a terrorist has in Northern Ireland, irrespective of the sentence he gets for whatever crime he has committed, is that the sentence has to be cut in half.

The feeling in the Unionist community about Sinn Fein must be understood by the Secretary of State because that lies behind much of what we are facing today. The average Northern Ireland Unionist thinks that if someone murders a Member of Parliament or a councillor he becomes a Member of Parliament or a councillor; if someone blows up council premises and kills council employees, he becomes a member of that council; if someone murders a judge or a magistrate, later a judge or magistrate will find in his favour when he seeks protection in pursuit of his despicable ends, whatever they may be.

The Incorporated Law Society of Northern Ireland has admitted a convicted terrorist to train as a lawyer, but he has not expressed contrition or regret for what he has done. We will never know whether he regrets his crime. Automatic 50 per cent. remission means that it is not necessary to determine whether terrorists regret what they have done. In my constituency there is a senior social worker who was formerly a convicted terrorist. He may have regretted his former acts but there has been no impartial assessment of whether he has done so. All these things force people in my community further and further on to the defensive. They ask what the Government are doing about this.

The IRA has told us what its objective is. It says that it intends to take power in Ireland through the ballot box and bullet. By our behaviour, are we not assisting the IRA to achieve that objective? The Secretary of State has told me that it is important that the people should know how little support the Provisional IRA has. The Provisional IRA clearly does not see that as a disadvantage. At the moment it is happy to settle for the support of one third of the adult Roman Catholic community in elections. If there is an advantage for us in the Government's policy, I should like to know what the disadvantage is for the Provisional IRA. It does not appear to see any disadvantage.

I want to deal briefly with the Portadown parade because the right hon. Gentleman knows how strongly I feel, not simply about whether we walk or not but about the consequences if we walk. Despite what has been said in the media the walk in Portadown by Orangemen is from the town of Portadown to a parish church to worship. It is not a parade of Orangemen through a Catholic district of Portadown. That is incidental to the walk.

I have gone into detail with the Minister about the location. There are three routes to Drumcree church, which is set in the Protestant hinterland of Portadown. Portadown itself is a 75 per cent. Protestant town and the tragedy is that the three routes from the town to the church all go through Catholic areas. That is coincidental. There is no ideal route. One of the routes that is recommended as a return route from the church is through a Catholic area which numerically is much stronger than the one from which the parade is being re-routed. When he does not know what to do in circumstances of that kind, the Secretary of State should pause and consider doing nothing, because to do nothing might be better than to do something which may create trouble in the town.

The police cannot do their job without majority support. The number of people in Portadown last night will not be there on Sunday morning. Those who will be walking to church on Sunday morning will not want confrontation with the police, but there may be others who will. Even if the police stop those men from walking to church next Sunday morning, what will happen between then and the 12th? What will happen on the eleventh night when 20 or 30 bonfires are blazing around Portadown and more alcohol is being consumed than is good for those people? What will happen in the few hours between then and the start of the parade? No matter how many police and troops are put into Portadown, they will be unable to stop people from going down that road for the wrong reasons.

I appeal to the Secretary of State and, through him, to the Chief Constable, to see sense. This parade has taken place for over 150 years. It causes the minimum amount

[Mr. McCusker]

of aggravation. No party tunes are played; there is no flaunting of colours; there is no beating of drums. It may not be exactly what the Secretary of State or the Chief Constable want, but if the parade takes place on Sunday it will be in the best interests of all concerned.

6.51 pm

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Nicholas Scott): It will be impossible for me to deal with all the points that have been raised in the debate. However, like my right hon. Friend the Secretary of State for Northern Ireland, I welcome the fact that the theme of the debate and the motion on the Order Paper relate to stability in Northern Ireland. Everybody wishes stability to be created in Northern Ireland, but I take note of the point of the hon. Member for Upper Bann (Mr. McCusker) that stability can be relative between countries and regions and, indeed, over a period. The concept of stability in Northern Ireland today is different from what it was 15, 10, or perhaps even four years ago. The graffiti in west Belfast, querying whether there was life before death, touched a chord, but I hope that the times that gave rise to that have passed for ever in Northern Ireland. The Government and the security forces will make every effort to maintain the new stability that has been created in Northern Ireland, but responsibility for maintaining that stability rests not only upon the Government and the police. That is a point to which I hope to return later.

The House owes a very great debt to the people of Northern Ireland for their courage, resilience and endurance during the most vicious and sustained period of terrorism that modern Europe has experienced. The House owes to their elected representatives understanding because of the unique burdens that they bear. They represent a society that has been torn apart and has had to endure terrorism on a massive scale for a very long period. They act honourably as the democratic representatives of a divided society. Not least are we in their debt because of the personal danger that they face in doing their duty to their Northern Ireland constituents. Many of them, not least the hon. Member for Upper Bann, have seen constituents, friends and colleagues murdered and maimed by the men of violence.

We owe a very great deal to the Northern Ireland Members of Parliament and we have a duty to listen to, appreciate and be sensitive to their unique anxieties. Those anxieties have been presented in a constructive way in this debate by the Official Unionist party. But it owes something to this House and also to those who are privileged to share in Government—namely, recognition of our good faith in seeking to govern Northern Ireland fairly, even-handedly and, dare I say it, generously within the context of the constitutional guarantee about the future place of Northern Ireland within the United Kingdom. As we grapple with the complex economic and political problems that face Northern Ireland and pursue the eradication of terrorism, we are entitled to the recognition that we are acting in good faith on behalf of the people of Northern Ireland.

I hope that the House will examine the problems of Northern Ireland on the basis of fact rather than of mythology.

I turn to one of the themes that has run through this afternoon's debate: parades and marches in Northern Ireland. The hon. Member for Fermanagh and South Tyrone (Mr. Maginnis) spelt out the aim of those parades and marches: to demonstrate in a lawful way their adherence to their protestant heritage. That deserves respect, but the key word is "lawful." It cannot be lawful to ignore to seek to set aside a re-routeing order by the Chief Constable or a banning order by the Secretary of State. That is breaking the law. It cannot be justified or defended.

It is worth while putting the problem in its proper context. The hon. Member for Upper Bann suggested that a move is being made towards completely overturning the current practice on parades and marches in Northern Ireland. Nothing could be further from the truth. As my right hon. Friend the Secretary of State said, during the last marching season, as it is called, in Northern Ireland, 2,200 parades had to be policed by the Royal Ulster Constabulary. Many of those marches had their routes adjusted by mutual agreement between the police and the organisers — whether they were Republican, Loyalist, Orange, or any other kind of parade—that it would be sensible to make minor adjustments.

Would that this were always the case and that it was unnecessary for the Chief Constable to impose a re-routeing order or for my right hon. Friend to ban a parade. However, in the interests of harmony in the community, sustaining law and order and avoiding the dangers of large-scale rioting, there are occasions when, in the professional judgment of the Chief Constable, action is necessary. But there is no policy which prevents people from marching or walking in recognition of their Protestant heritage. There is no political direction behind all this and there is no Dublin role. To make the distinction that the hon. Member for Fermanagh and South Tyrone did not make, the representations in the question to my right hon. and learned Friend the Foreign Secretary related to banning a parade on St. Patrick's day in Portadown. My right hon. Friend the Secretary of State's comments related to the present marching season.

The concern that is felt about parades and marches in Northern Ireland is not a recent phenomenon. I have considered the Chief Constable's reports not only for 1984, but for 1980-1984. In each report he drew attention to this problem in different ways. In 1980 he referred to large numbers of police personnel having to be deployed

"to deal with politically inspired parades and demonstrations, many of which pose a serious threat to law and order."

In different ways he has drawn attention during the last five years to problems that face the police in Northern Ireland because of parades.

For the handful of parades that might be affected by a re-routeing order or, exceptionally, by a banning order, we have to depend upon the professional advice of the Royal Ulster Constabulary. It has a difficult job to do in Northern Ireland. For the RUC to be assaulted by representatives of the majority community in Northern Ireland is unacceptable to the vast majority of law-abiding Unionists.

I can only re-emphasise what has been said on a number of occasions about the dialogue between the sovereign Governments of London and Dublin. It is carried on entirely within the parameters defined by the Chequers communiqué. The exaggerated fears of the hon. Member

for Mid-Ulster (Rev. William McCrea) have to be set in the context of that cast-iron guarantee. I commend the amendment to the House.

Question, That the original words stand part of the Question, *put and negatived*.

Question, That the proposed words be there added, *put forthwith pursuant to Standing Order No. 33 (Questions on amendments) and agreed to*.

MR. SPEAKER, *forthwith declared the main Question, as amended, to be agreed to*.

Resolved,

That this House invites the Government to continue to promote measures which encourage peace, stability and good relations between the two communities in Northern Ireland; invites both communities to work to these ends; recognises the contribution which improved relations with the Government of the Republic of Ireland can make in furthering these objectives; and recognises the need to maintain a firm security policy under the law.

Birmingham City Council Bill
(By Order)

As amended, further considered.

New clause 2

RESTRICTION ON CAPITAL EXPENDITURE

'(1) The Council shall not make payments in respect of prescribed expenditure incurred in the exercise of the powers of this Act before the first authorised day in excess of £2,000,000.

(2) For the purposes of this section—

"the first authorised day" means the authorised day during which the Council first exercise their powers under section 5 (Closing of streets for motor races) of this Act;

"prescribed expenditure" has the meaning assigned to it by section 71 of the Local Government Planning and Land Act 1980.'—*[Sir Reginald Eyre.]*

Brought up, and read the First time.

7 pm

Sir Reginald Eyre (Birmingham, Hall Green): I beg to move, That the clause be read a Second time.

Mr. Speaker: It will be convenient to discuss at the same time new clause 3—*Annual revenue account:*

'(1) The Council shall prepare a revenue account not later than 30th September in the financial year following that year.

(2) A revenue account must show a true and fair view of the financial result of the Council having exercised the powers of this Act in the financial year to which it relates.

(3) If at the end of any financial year any revenue account is in deficit, the amount of the deficit shall be charged—

(a) in the first instance to any reserve fund established by them; and

(b) subject thereto to the general rate fund.

(4) In subsection (3) above, the reference in paragraph *(a)* to a reserve fund established by the Council is a reference to a fund the sole purpose of which is to meet any expenditure incurred by them in connection with the exercise of the powers of this Act.

(5) If the revenue accounts for the first five financial years in which the Council provide motor races show a cumulative deficit the power to provide motor races shall cease to be exercisable by the Council.'

Sir Reginald Eyre: It will be remembered that the purpose of the Bill is to give the city of Birmingham an opportunity to provide once a year a great tourist attraction in the form of a motor race and associated family attractions on a carefully chosen pattern of roads near the city centre. It is believed that the event will attract considerable media interest in a new and attractive part of Birmingham and will give great encouragement to the motor industry in the west midlands and to the many thousands of people in Birmingham and the west midlands whose work is connected with the motor industry.

New clause 2 meets the point raised by the hon. Member for Birmingham, Ladywood (Ms. Short) in amendment No. 16, and I hope that, in view of my new clause, she will withdraw that amendment. The new clause restricts capital expenditure to £2 million prior to the first motor race event. It therefore improves the Bill by taking account of the points that the hon. Lady and her hon. Friend the Member for Birmingham, Hodge Hill (Mr. Davis) raised on 24 June, when a defined limit of the kind that I propose was sought. I felt that both hon. Members had expressed points of concern that would be understand in Birmingham, and I am happy to say that the new clause meets the points that they raised.

The council expects that the expenditure will be of a lesser sum, but the figure specified in the new clause takes

[Sir Reginald Eyre]

account of regulations that could be imposed in regard, for example, to safety requirements, and of unforeseen contingencies.

Having expressed the hope that amendment No. 16 will be withdrawn, as I see the hon. Member for Birmingham, Perry Barr (Mr. Rooker) in his place, I hope that he will agree, following the discussion that we had at a previous stage, not to proceed with amendment No. 7 which stands in his name.

Mr. Jeff Rooker (Birmingham, Perry Barr): Will new clauses 2 and 3 improve the Bill?

Sir Reginald Eyre: I had hoped that it was clear from my opening remarks that I had tabled them on the basis that they would improve the Bill.

Mr. Rooker: In that case, it follows that my comments were aimed at improving the Bill. I do not intend to proceed with amendment No. 7 in view of what the hon. Gentleman has said.

Sir Reginald Eyre: I have always accepted that the hon. Gentleman's purpose was to improve the measure. I am grateful to him for the attention that he has given to these matters and for his decision not to proceed with amendment No. 7.

New clause 3 is also designed to meet points that were made in our earlier debates. This provision meets my undertaking that if the revenue accounts for the first five financial years in which the council provides motor races show a cumulative deficit, the power to provide motor races shall cease to be exercisable by the council. The advantage of an adjourned Report stage is that I now have an opportunity to table the new clauses, rather than to amend the Bill in another place, the course that I undertook to adopt when we last debated the Bill.

The council's figures suggest, even on a pessimistic basis, that sufficient operating profits will be generated to repay the initial capital cost within the five-year period. However, the project may do much better than that, and it is hoped that that will be the case.

Mr. Rooker: I thank the hon. Member for Birmingham, Hall Green (Sir R. Eyre) for tabling the new clauses. When we debated the Bill a week ago, we were told that such amendments could be made only in the other place, and even then there was no guarantee that the Bill would be amended. My hon. Friends and I appreciate that that was not the fault of the hon. Gentleman.

We were told originally that such amendments as we required could not even be countenanced. A week ago we were told that the council, the promoter of the Bill, would accept no financial limit. In other words, we were asked to sign a blank cheque, Birmingham city council having decided to sign what was, in effect, a blank cheque.

I recall asking the hon. Member for Hall Green what figure he would accept on behalf of the council, if a limit of £1·7 million was not acceptable. I wondered whether he thought the figure should be £2 million or £3·5 million. The hon. Member for Hall Green was placed in a difficult situation, not of his own making, because of the incompetence of the promoters of the Bill, including the parliamentary draftsman, the agents and those responsible in the city council. Until recently they had not listened to the views of hon. Members.

It is a disgrace to think, following our deliberations on the Bill on 24 June, that Councillor Bosworth, leader of the Tory group in Birmingham, described the concerns that my hon. Friends and I had expressed about the financial aspects of the Bill as "sheer humbug." Councillor Bosworth told the world about my views on the race, yet I have never discussed the race with him or been at discussions which he has attended when the road race has been considered. My views are the views which I put forward in Parliament, together with my hon. Friends, that there should be no question of signing a blank cheque, which the council has agreed to do, and that we should seek to make this a better Bill, and to do that we have had to use parliamentary procedure.

We agree that there is now a limit provided in the Bill of £2 million—somewhat higher than the £1·1 million figure which the council first talked about — and a contingency of up to £1·5 million. At least now there is a legal limit. This could have been done a long time ago.

As I said in an intervention, I do not intend to raise the issue of external sponsorship under amendment No. 7. On the other hand, I note that Councillor Charlton, the chief whip of the controlling Labour group, who is a good friend of mine, was quoted the day after our last debate as stating that Birmingham city council said that it had always intended commerce and industry to provide some of the finance. I presume that that still stands, and that, in saying that, the whip of the controlling group means that an attempt will be made to get some finance from industry and commerce. I think that industry and commerce will be more willing now to put its hand in his pocket in the knowledge that the council now has a legal limit on what it can spend and that we are no longer looking into a bottomless pit. To that extent, I welcome new clause 2.

New clause 3 meets the points covered in our earlier amendments and what we said about the initial instructions on 1 April. We were told that these were rubbish and could not be countenanced in any circumstances, yet they are included on the Order Paper to be written into the Bill before it goes to the other place. It makes one wonder about the unnecessary waste of ratepayers' money up to now. Under new clause 3, the extra costs involved in consideration of the Bill on the Floor of the House on two occasions will have to be accounted for.

My hon. Friends and I do not intend to prolong the debate. We have achieved a remarkable success, given the intransigence that we met last December in the refusal even to discuss with us the contents of the Bill.

Mr. David Gilroy Bevan (Birmingham, Yardley): I wish to respond in part to what the hon. Member for Birmingham, Perry Barr (Mr. Rooker) has said and to support the effect of new clauses 2 and 3 and other amendments.

It may well be true that there has been some confusion in discussing this matter because there may have been a lack of communication between the council and hon. Members concerned. Many of us tried to ease this path when we were contacted by the council and went to some lengths to try to arrange liaison meetings. It is fair and proper to say that there was no confusion at this end. It is fair and proper also that the hon. Members for Birmingham, Perry Barr, for Birmingham, Ladywood (Ms. Short) and for Birmingham, Hodge Hill (Mr. Davis) have raised these questions to ensure that clauses are enshrined in the Bill in order to give a degree of protection

to the ratepayers of the city of Birmingham and all those who have financial interest in the measure. I congratulate them on the effectiveness of their representations, and I trust that the amendments will meet the case in *full*.

Hon. Members who have been in favour of what I consider to be the exciting concept of a city road race in Birmingham have learned to be patient. It was at least 12 years ago that, as a member of Birmingham city council, I first voted in favour of the Bill. We lost that day, but the idea has rightly gained momentum. Birmingham should be allowed that which it wants, and it does indeed want the road race.

I was impressed when I spent a whole Sunday—I did not see any other hon. Members present — at the rehearsal of the road race.

Ms. Clare Short (Birmingham, Ladywood): What about me?

Mr. Bevan: If I have maligned any hon. Member, I apologise. I thought that I was the only hon. Member present.

Mr. Rooker: There were 250,000 people present.

Mr. Bevan: Indeed there were, but there were only 18 or so people in the city of Birmingham stand where I was sitting, and no hon. Members were there. *[Interruption.]* If Opposition Members wish to declare an interest in having attended the road race, I will be happy to withdraw. In that case, I congratulate them on undoubtedly having enjoyed the day and the spectacle and shared the joys of the 250,000 people who watched the road race and cheered to inordinate lengths after it had finished.

It is imperative to remember that this is a people's race. It is a race in support of the new Birmingham concept and of the tourism interest in Birmingham which is helping to solve some of the abundant unemployment problems from which Birmingham suffers.

Speaking humbly as chairman of the tourism committee, I have noticed that in my constituency, in which there has been a promotion of the national exhibition centre, Birmingham international airport and Birmingham international station, the unemployment rate is substantially less than in other areas. *[Laughter.]* It is no good Opposition Members laughing. It would be better to appreciate that many channels of employment have to be used. If, in this respect, we find the formula, that will attract people and bring some credit to the city as a car showcase, which is what Birmingham undoubtedly is, as a car manufacturing town.

Mr. Robin Corbett (Birmingham, Erdington): A city.

Mr. Bevan: Indeed, a city which is dependent on the car industry and its derivatives, which must encourage the promotion of a car race.

Mr. Deputy Speaker (Sir Paul Dean): Order. I realise that the hon. Gentleman is giving the context of his remarks, but I hope that he will come to the restrictions on capital expenditure, which is the subject of the new clause.

7.15 pm

Mr. Bevan: Indeed, Mr. Deputy Speaker. First, I give way to the hon. Member for Ladywood.

Ms. Short: I would be grateful if the hon. Gentleman would comment on two points. First, the event to which he has referred attended by 250,000 people was free. The road race is projected to cost between £5 and £25 per ticket, and that might make some difference. Secondly, the city council told us that it expects only 20 full-time jobs to be generated by the road race. I am sure that the hon. Gentleman would not wish to exaggerate its potential for job creation in the city.

Mr. Bevan: Indeed not. Bearing in mind your instruction, Mr. Deputy Speaker, and speaking strictly to the financial aspects of the new clauses, I think that it is imperative in the context of the financial restrictions that an admission fee be paid to attend the road race. I am sure that the hon. Member for Ladywood would not wish this to be a charge upon the ratepayers or the taxpayers. Indeed, the essence of some of the earlier amendments was to ensure that no loss would be incurred by the citizens of Birmingham. It is therefore automatic that some reasonable charge should be levied. We do not dispute that there must be some charge. The Bill aims to attract sponsorship. I anticipate that sponsorship will be forthcoming from firms in Birmingham—perhaps in my constituency — which will be proud to contribute, provided that the financial ground rules are well laid.

We must not denigrate the creation of 20 full-time jobs. They are important. The race will create many more exciting part-time jobs and the spin-off into other industries and the services sector will be profound.

We have learned patience. This vehicle has been on the starting grid for a fair time. None of us wish to see the chequered flag drop at an inopportune moment — for example, Easter Monday. I join those Opposition Members who tabled an amendment to ensure that that is not so.

We have had the patience to create the right atmosphere and the sense to produce amendments with care to ensure that everything is well protected. An amendment has been tabled to ensure that the race is not perpetuated unless it is a financial success within the next five years. I believe that the race should now be allowed to start.

Mr. Terry Davis (Birmingham, Hodge Hill): Kindness discourages me from commenting in detail upon the speech of the hon. Member for Birmingham, Yardley (Mr. Bevan). I merely remind him that once again he has demonstrated his inconsistency, as he has done several times during our discussions on the Bill.

The hon. Gentleman applauds the provision of jobs and the creation of work through public expenditure in this context, but in every other context he is opposed to public expenditure. I wish that his attitude was more consistent.

The hon. Gentleman also said that there was no confusion at this end. I am surprised that he did not take the opportunity to remove some of the confusion that he created on Second Reading on 1 April. He was then so carried away that he claimed that 93 per cent. of the people living in his constituency and in Erdington, Perry Barr and Hodge Hill were in favour of the race. He was referring of course to a survey that had been carried out in the constituency of Ladywood. No other constituencies in the city of Birmingham had taken part.

Mr. Bevan: That was pointed out at the time. I accepted that correction from Opposition Members.

Mr. Davis: That is not how I read column 987 of *Hansard*, but I leave it to the hon. Gentleman and the House to review that point.

[Mr. Davis]

It is fair to say that the hon. Gentleman has throughout been in favour of the Bill and consistent in his support for a motor race on any terms. That has been the difference between the hon. Gentleman, and my hon. Friends and myself, because we shall only accept a motor race if the financial terms are satisfactory.

New clause 2 is a significant step forward. I am grateful to the hon. Member for Birmingham, Hall Green (Sir R. Eyre) for having displayed flexibility and willingness to compromise during private discussions on the Bill. If it were not for the constructive role that he has played, we would still be debating this Bill many months from now. Instead we are making progress. Indeed, the hon. Gentleman has encouraged both parties on the city council to make the concessions which will enable the Bill to make progress. The Bill is different from what it was when it was presented to the House in November. It is a pity that those concessions were not made several months ago. That would have avoided a reat deal of delay and expense for the ratepayers and the city council. The way in which the Bill has been handled should be studied as a lesson in how not to introduce and deal with private Bills in the House. Nevertheless, I recognise that the hon. Gentleman has not been responsible for the errors that have been made.

On the other hand, if the hon. Member for Yardley is confused, so is Councillor Neville Bosworth. His comments were mentioned by my hon. Friend the Member for Birmingham, Perry Barr (Mr. Rooker). I shall say no more about Councillor Bosworth's comments. It is clear that he has never understood our objections. I will go further. I suspect that he has never understood the financial arrangements behind the motor race. That would be typical, coming, as it does, from a councillor who led the Conservative party on the city council and who was partly responsible for this year's massive rate increase which resulted from the legacy that he left. *[Interruption.]* I and all my hon. Friends, whatever their views may be about a motor race in Birmingham, will be happy to debate that matter on another occasion.

The limit of £2 million on capital expenditure which can be incurred by the city council is important. I had some sympathy with the remarks made by the hon. Member for Hall Green during the debate a week ago. I understand the difficulty of imposing an inflexible limit, but I must, nevertheless, point out that the city council originally estimated that the capital cost of the motor race would be £1·1 million. The council then added 35 per cent. for contingencies and inflation between 1984 and 1986. I do not know how much was contingencies and how much inflation. It would probably be unkind to press the hon. Member for Hall Green to tell us.

The city council said that the race would cost only £1·5 million. "Only" was its word. Then, last week, we were told that the figure of £1·7 million was too restrictive, and the council now wants £2 million. That is nearly double its original estimate—let us make no bones about that. Not even the Opposition would describe the rate of inflation as being responsible for an increase from £1·1 million to £2 million. On the other hand, the new clause does mean that the council has torn up the idea of a blank cheque. It is now willing to accept some limit on the amount of money that can be spent on the race, and that is good news because it is the capital expenditure which has most disturbed my hon. Friends and myself throughout our debates on the Bill. It is the most important aspect of the Bill.

At the same time, the most important concession made by the city council is not included in new clause 2. That was the concession that I described during the debate on 24 June. It cannot be written into the Bill, and I am not asking that it should. I am happy to accept the assurances that I have been given by representatives of the city treasurer's department, underwritten by Councillor Dick Knowles, that the financial arrangements will now be devised in such a way that we are not choosing between holding a motor race and repairing roofs, urban renewal, improvement grants, old people's homes or day nurseries for children. That is probably the most significant step forward that the city council has taken.

New clause 3 is also important. It writes into the Bill an assurance that we have been given privately on several occasions. My hon. Friends have urged that the race should not be run as a promotional effort for the city of Birmingham and at a loss to the ratepayers. We all realise that the figures which have been put before us are only estimates, but we have been anxious to see that the race is not a bottomless pit into which ratepayers' money is thrown. If the race makes a loss, it will be an expenditure item and it will mean that the city council is spending money on a motor race instead of making a profit. That is not acceptable to us, and I believe that it may not be acceptable to some Conservative Members. Therefore, a limit of five years has been put on the motor race. If the race does not make a profit within five years and recover all its expenditure within that time, as I understand it, the city council will stop the race. That is an acceptable and reasonable position to have achieved.

It also means that separate accounts must be kept. To be fair to councillor Knowles and his colleagues, they have always assured me that there will be separate accounts. I did not want it to be written into the Bill. I was happy to accept their assurances. However, I must point out that their assurances encompass more than is written into the Bill. As the hon. Member for Hall Green appreciates, new clause 3 only requires the council to keep accounts for the motor race from the passing of the Bill. I am anxious that we should know the total expenditure on this project, and I have been given assurances that separate accounts will be kept from the beginning so that we shall know how much has been spent on promoting the Bill, how much has been spent on the hospitality sponsored in the House by the hon. Member for Yardley and how much is spent next year on preparing for the motor race.

These expenses all form part of the cost of a motor race. I am not suggesting that these are costs that should be set against the profit—the hon. Gentleman is smiling and I am sure that he enjoys playing the host in the House of Commons—and I do not expect them to be recoverable. Nevertheless, we want to know how much in total has been spent on this project. That is a reasonable request. We want to know how much expenditure has been incurred in promoting the Bill and securing its passage through the House of Commons.

The hon. Member for Hall Green, who represents the interests of councillor Dick Knowles and the officers of the council, has taken tremendous steps towards meeting my hon. Friends on all these financial points, and I am glad that he has now introduced these new clauses.

7.30 pm

Mr. Roger King (Birmingham, Northfield): I welcome the amended requirements outlined in new clauses 2 and 3. Many people have pointed out that one of the dangers in promoting this race is having an open-ended commitment or the lack of a financial background to staging the race. Motor racing is technically complex and a difficult marketing business. One cannot merely clear a bit of ground or a few streets and hold a race. Hon. Members who watched the formula 1 road championship race in Detroit recently know what motor racing through the streets actually involves. It is a complicated procedure, requiring the highest safety standards.

The question is how much the implementation of those standards will cost the organising body or authority. One of the requirements of formula 1 meetings, specifically on city circuits, is the provision of cranes to lift broken and damaged cars from the track. It is not possible to push cars to the side as it is at a dedicated circuit such as Brands Hatch or Silverstone. The emergency services need ready access during the race both to racing accidents and to domestic dwellings and business premises inside the circuit. All those requirements can involve substantial sums of money. The organisers would have to concentrate on securing sponsorship and other forms of racing money to stage the actual race.

There are several categories of motor racing. There is the fairly basic club racing, where standards are lower than they would be for a full-blown formula 1 grand prix. The city of Birmingham should pay close attention to the type of race that it wants to hold. If it were to hold formula 1 grand prix races from the beginning, it would need higher standards than for a basic club circuit. The public may believe that other categories of race are being considered, so I should make it clear that that is not the case. The event will be of a category which fits the budget.

Sponsorship can provide a substantial amount of income for the organising body to help to defray much of the organisational cost. There is a great demand to watch street circuit racing, which would be unique in this country, and it should attract people not just from Birmingham but from all over the country. The initial cavalcade last summer attracted large crowds and was covered extensively in the media, but it did not attract many people from outside the city to come and spend money in Birmingham. After all, we would not go to Nottingham just to watch a parade of cars through the streets. It is assumed, however, that the people of Birmingham would not be the only spectators for a racing event. Income for the race would come from visitors from all over the country, and possibly even from Europe if European competitors were encouraged to participate in championship rounds.

There should be unanimity in the House, because this is a great step forward for any city. If Birmingham is prepared to spend money on such a circuit, other cities may wish to follow suit, but they will be aware of the amount of discussion and debate that this has caused and will probably hesitate to embark on a similar venture.

Mr. Rooker: If any other city attempts to promote a private Bill to compete with Birmingham, it will materially affect the finances of Birmingham's road race. I wish to make it abundantly clear, therefore, that I shall use every parliamentary means to oppose any such moves by other cities until Birmingham has had five years to assess its finances, as the Bill makes clear. They have been warned.

Mr. King: The House is unanimous on that point. If other cities want to copy Birmingham, which has achieved this after a great deal of time and effort in the past 12 years, they will proceed along that path at their peril. We know the problems of reaching unanimity on organisational procedures, and more importantly, we believe that, because we are the first, we should stay that way.

Clause 3 provides that the circuit should show proper profit and loss accounts and not be a loss leader for the city's overall leisure programme and tourist attractions. All racing circuits in the country, including Brands Hatch, Silverstone and Oulton Park, have to ensure that income covers expenditure, and they would not be happy if another organisation sought to subsidise its own circuit.

Although parliamentary approval may be given for the staging of a motor race in Birmingham, that is only the first hurdle. Once approval is given, Birmingham must seek a racing permit from the Royal Automobile Club. Various established circuit owners will be watching carefully to see whether Birmingham gets its race and seeks to subsidise that race so that their own circuits lose custom. Those owners will see from the evidence presented to the House that we are insisting that the race has a proper profit and loss account. I can only pay the highest compliments to the Opposition, who place such a high value on the profit and loss account.

Local industries will be prepared to contribute and to see this great venture on its way. I have had discussions with various organisers. If August bank holiday Monday were the date of the first race meeting, Austin Rover in my constituency would be willing to provide 12 Metro cars for a celebrity race. Today, I heard that the *Birmingham Post* and the *Birmingham Evening Mail* are prepared to give a cheque of £500 to a charity of the winner's choice. I stress that the charity will be in Birmingham, not elsewhere.

The hon. Member for Birmingham, Ladywood (Ms. Short) may well be the first recipient of money from a sponsor of the motor race, if the winner picks a charity in her constituency. I have a slight vested interest in this matter, in that I had the pleasure of winning the recent Commons versus Lords motor race at Brands Hatch, coming away with a £500 cheque for charity, which I gave to the Birmingham children's hospice.

Motor racing will provide an income for the local community. It will provide a wonderful opportunity for industry and commerce to sponsor a glamorous, exciting, brash, bold day for the citizens of Birmingham and the country generally. It will also put back into the local community much of what the motor industry has taken from the area through industrial dereliction and change.

This is a great opportunity. The new clauses will help to forestall criticism by outside sources which have been afraid that this project would destroy them but which will now readily recognise that this is not a here today, gone tomorrow, escapade. It is a commercial, sensibly thought-out undertaking that will last not for five years, but for many years.

Ms. Clare Short: I am grateful to the hon. Members for Birmingham, Hall Green (Sir R. Eyre), for Birmingham, Northfield (Mr. King), and for Birmingham, Yardley (Mr. Bevan) for making it so clear that they

[Ms. Clare Short]

consider that new clauses 2 and 3, which were moved in response to previous amendments, improve the Bill. I hope that all those who have commented on the Bill and on our criticisms will take their remarks seriously.

Many of the commentators on the Bill, including Councillor Neville Bosworth, Councillor Dick Knowles, the disreputable *Birmingham Dispatch* and the leader writer of the *Birmingham Post* and *Birmingham Evening Mail*, owe Labour Members an apology. We were using the House in a proper manner to improve the Bill, yet these commentators put about the story that we were being disruptive kill-joys.

The Bill has been greatly improved. It means that, at worst, if the race fails, the waste of money for the people of Birmingham will probably be little more than the initial £2 million capital expenditure. Of course we hope that the additional £1·5 million that it will cost to run the race each time will cover costs.

From the beginning, I have been worried about the inefficient way in which this proposal has been put together. Although we were given figures and projections of the amount that would be spent, there was no guarantee that the organisations would hold to those figures. It was possible that the road race would become a big black hole and that Birmingham ratepayers would be required to keep shovelling money into it.

My hon. Friend the Member for Birmingham, Hodge Hill (Mr. Davis) and I were present at a meeting with one Birmingham city official who suggested that, even if the race made no money, it would be good for Birmingham and that somehow it would make Birmingham as famous as Indianapolis. Clearly, some city council officials were willing to see the race as a loss leader. That has now been ruled out — if the race is not profitable, it will not continue.

When the city council began contemplating setting a limit on capital expenditure, the official proposal to the leader of the council was that the limit should be £3 million. That was incredible, given the fact that the initial projection was £1·1 million in capital costs. The council then allowed itself £1·5 million to cover inflation and contingencies. The amount was then doubled, just in case the authorities wanted to spend more. Wisely, the leader of the city council reduced the amount to £2 million. That exercise supports the case for the amendments.

We have accepted a capital limit of £2 million, because we all understand that an unforeseen event might jeopardise the race and require expenditure of more than £1·5 million. I hope that the city council will stand by its original estimate. The fact that the £2 million limit is in the Bill should not mean that the council can feel that it is free to spend £2 million rather than the original provision of £1·5 million. I am sure that all of us accept that view. The council should seek to work within the original projections.

I am pleased that we agree with these amendments and that we are satisfied that they will improve the Bill. I hope that we can hasten the Bill's passage and that Birmingham will be able, at last, to get on with planning its road race.

7.45 pm

Dr. John G. Blackburn (Dudley, West): I should like to pay a warm and generous tribute to my hon. Friend the Member for Birmingham, Hall Green (Sir R. Eyre) for the work that he has done, in conjunction with other hon. Members, in bringing about an honourable, sound, common sense compromise, which is contained in the terms of the two new clauses. After I had the opportunity to catch your eye, Mr. Deputy Speaker, during the last debate on this subject, one or two harsh criticisms were made of my speech on the grounds that I did not represent a Birmingham constituency. However, I have a deep interest in the success of the race. It will be successful financially only if the constituents whom I have the honour to represent support it. I hope that the people of the west midlands will give their unqualified support to this venture. The crown of the west midlands has many jewels in it. The first jewel is Dudley castle, the second is Dudley zoo and the third is the black country museum. It is a credit to the Birmingham people that they have supported the black country museum. We want a cross-flow of support.

Mr. Deputy Speaker: Order. I hope that the hon. Member will come to the jewels in these new clauses.

Dr. Blackburn: I accept your rebuke, Mr. Deputy Speaker. You are correct to bring me back to these wonderful clauses.

People in the west midlands now know that the race will operate through a good financial structure. The new clauses will enhance the Bill. The legislation will attract much support. The people of the black country and the city of Birmingham will only support a measure in which they see financial common sense. Because Labour Members accept the new clauses, I believe that the responsible, reasonable people who intend putting finance into the sponsorship of the race will do so with greater confidence.

I have already declared the fact that I have no interest in Birmingham in a constituency sense, but I must point out that I particularly welcome the new clauses because they make the Bill better legislation, providing a sound financial arrangement for this undertaking.

The Bill is historic for the city of Birmingham, but although I applaud and welcome the Bill we must not be so parochial. We must have a wider vision. The Bill is unique because it creates a most interesting venture that will attract attention far beyond the boundaries of the west midlands. In that spirit, I welcome not only an improved Bill but the fact that the House of Commons speaks with one voice. Tonight, for the first time, we are speaking on the Bill with one voice because the new clauses are saturated with common sense and they bring us together.

Clause read a Second time, and added to the Bill.

New Clause 3

ANNUAL REVENUE ACCOUNT

'(1) The Council shall prepare a revenue account not later than 30th September in the financial year following that year.

(2) A revenue account must show a true and fair view of the financial result of the Council having exercised the powers of this Act in the financial year to which it relates.

(3) If at the end of any financial year any revenue account is in deficit, the amount of the deficit shall be charged—

(a) in the first instance to any reserve fund established by them; and

(b) subject thereto to the general rate fund.

(4) In subsection (3) above, the reference in paragraph *(a)* to a reserve fund established by the Council is a reference to a fund the sole purpose of which is to meet any expenditure incurred by them in connection with the exercise of the powers of this Act.

(5) If the revenue accounts for the first five financial years in which the Council provide motor races show a cumulative deficit the power to provide motor races shall cease to be exercisable by the Council.'—*[Sir R. Eyre.]*

Brought up, read the First and Second time, and added to the Bill.

Clause 3

AUTHORISED DAY

Mr. Terry Davis: I beg to move amendment No. 1, in page 4, line 34, leave out from 'August' to end of line 45.

Mr. Deputy Speaker: With this, it will be convenient to discuss the following amendments: No. 21, in page 4, line 39, after 'than', insert 'Easter Monday, or'.

No. 2, in page 5, line 2, leave out 'said' and insert 'Banking and Financial Dealings'.

No. 3, in page 5, leave out lines 7 to 12 and insert 'the authorised day to the statutory undertakers'.

Mr. Davis: The four amendments amend the Bill in two slightly different ways, but they relate to the same point. I should explain that amendments Nos. 1, 2 and 3 are linked, and amendment No. 21 is an alternative.

On Second Reading, there were several references to the survey conducted among those who live near the proposed route for the motor race. In moving the Second Reading, the hon. Member for Hall Green (Sir R. Eyre) brought the survey to the attention of the House and told us that it showed 93 per cent. support for the race among the residents of the area where the event would take place. The hon. Member for Birmingham, Yardley (Mr. Bevan) referred to the survey. I have already mentioned how his enthusiasm carried him away to the point where he thought that the survey had been conducted among all the residents of Birmingham. There was also a reference in the speech of my right hon. Friend the Member for Birmingham, Small Heath (Mr. Howell). Fairly, he pointed out to the House that 36 per cent. of those who were given ballot papers had returned them. They voted with a majority of 4·5 to 1 in favour of a motor race. All the comments were fair—with qualification in the case of the enthusiasm of the hon. Member for Yardley—because the survey did take place.

However, I asked the city council for a copy of the letter that was sent with the voting papers to the people living in the area of the race. I discovered that they were asked to vote on the basis of a proposal for a motor race to take place on the August bank holiday. They were given the ballot paper with a covering letter from the chief administrative officer of the city council. The letter asked them to look at the plan and read the explanatory notes before voting. The first note informed the residents that it was suggested that a motor racing event be held on the August bank holiday Monday. It informed them that practice sessions would take place on the Sunday for perhaps four hours in the afternoon and that the racing would be held on the August bank holiday Monday.

However, the Bill makes it possible for the city council to hold a motor race on any bank holiday Monday except at Christmas and new year. That means that the city council can hold a motor race on Easter Monday, May day or the spring bank holiday Monday. The arguments made so often and so forcefully by advocates of the motor race that the people who live in the area want it are based on a survey that referred specifically to a proposed motor race on August bank holiday Monday. That is an important difference, because people were asked to vote in support of a motor race on one day in the year, and the city council and its advocates used the results of the survey to argue for a Bill that would enable the city council to hold such a race on at least three other days during the year.

I feel especially strongly about the inclusion of Easter Monday. As hon. Members will know, the Bill makes it possible—indeed, it will be essential—for racing car drivers to practise on the Sunday before the race. That would mean that cars would be travelling round the circuit on Easter Sunday. We must object to that. The city council told me that it was never its intention to hold the race on Easter Monday. In that case, why did it not exclude Easter Monday in the same way as it has excluded Christmas and new year? The council need only have added a few words to the Bill to make its intentions clear. I believe that the council changed its mind, and I do not criticise the draftsman of the Bill. He was told to include the possibility of Easter. I regard that as a con trick. I believe that there was a deliberate effort to extend the opportunity for a motor race to other days on the basis of a survey which referred only to August bank holiday Monday.

I do not feel so strongly about May day or spring bank holiday Monday, although there might be difficulties with May day. It is possible that the Labour movement will wish to hold processions and demonstrations through the centre of Birmingham on that day, and that could conflict with a motor race. I realise that the present city council would ensure that no such conflict occurred. I have less confidence in Councillor Neville Bosworth and his party giving precedence to a May day demonstration. However, I shall not pursue that point and amendment No. 1 because I understand that the hon. Member for Hall Green, on behalf of the city council, will accept amendent No. 21, which excludes Easter Monday. I hope that the hon. Member will assure us that the council does not intend to hold a race on the other two days, and that it is only a possibility, and I shall not press amendment No. 1 on that basis. It follows that amendments Nos. 2 and 3 could also fail.

Sir Reginald Eyre: I am glad to welcome amendment No. 21, which makes it clear that the motor race will not be held during the Easter bank holiday, and especially that the preparatory racing which the hon. Member for Birmingham, Hodge Hill (Mr. Davies) mentioned, will not take place on Easter Sunday. I am sure that hon. Members on both sides of the House welcome the amendment, and I give it my support.

Mr. Davis: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment made: No. 21, in page 4, line 39, after 'than', insert 'Easter Monday, or'—*[Mr. Terry Davis.]*

Clause 5

CLOSING OF STREETS FOR MOTOR RACES

8 pm

Mr. Rooker: I beg to move amendment No. 8, in page 5, line 34, after 'such', insert 'reasonable'.

Mr. Deputy Speaker: With this it will be convenient to take the following amendments: No. 9, in page 5, line 42, at end insert

'(even if for the purpose of education)'.

No. 10, in page 5, line 44, leave out 'reasonable'.

Mr. Rooker: Amendments Nos. 8 and 10 are alternatives to amendment No. 9. I did not think it right to leave out the word "reasonable" in line 34 if it stays in line 45. I seek either to include it in one or remove it from the other. I understand that the Bill's promoters are prepared to accept amendment No. 8.

When restricting access to streets and premises the city council should not be allowed to impose

"such conditions as they think fit."

Local authorities should not be able to operate like that. The insertion of the word "reasonable" is a reasonable request. It is reasonable to be reasonable and we are all reasonable people.

Amendment No. 9 ensures that there will be reasonable access

"to any person attending a place of public religious worship; (even if for the purpose of education)".

Do the city fathers, the lawyers in the city council or the Bill's promoters understand that Birmingham is a multiracial city? The largest purpose-built mosque in the region is on the route of the race. It is used for other than strictly religious purposes. It is used for education. I tabled the amendment with the consent of my right hon. Friend the Member for Birmingham, Sparkbrook (Mr. Hattersley) in whose constituency the mosque stands. I shall not press amendment No. 10.

Sir Reginald Eyre: In amendment No. 8 the hon. Member for Birmingham, Perry Barr (Mr. Rooker) presses for the insertion of the word "reasonable". I have listened to his speech and thought about the proposal and I think that it is reasonable to accept his reasonable amendment.

I understand the hon. Gentleman's arguments in relation to amendment No. 9. It is with pleasure that I accept that amendment.

I am grateful to the hon. Gentleman for saying that he does not wish to press amendment No. 10. If the word "reasonable" were deleted the council would be under an obligation to provide a lower standard of access.

Amendment agreed to.

Amendment made: No. 9 in page 5, line 42, at end insert '(even if for the purpose of education)'.—*[Mr. Rooker.]*

Mr. Terry Davis: I beg to move amendment No. 4, in page 7, line 20, to leave out 'Birmingham District' and insert 'West Midlands Regional'.

Clause 5 deals with the rights of certain bodies to obtain access to an area in which a race is taking place in order to discharge their duties. This refers in particular to the fire service, the highway authority, the police and the Health Service. Someone living near the race might need an ambulance or need to be visited by medical or nursing personnel. Such access would be difficult without making special provision for it. That is the reason for clause 5.

However, the Bill is defective because subsection (9)*(b)* refers to the "Birmingham District Health Authority". No such body exists. There are five district health authorities in the city of Birmingham. Within the city there are all the points of the compass-north, east, south and west-district health authorities plus the central district health authority. The route of the motor race runs through the areas covered by two of those authorities.

Personally, I think that a mistake has been made. As I understand it, the ambulance service is operated by the regional health authority. The West Midlands regional health authority should therefore be included, even if we specify a district health authority. The best way round the problem is to remove the reference to the "Birmingham district health authority" and to insert

"West Midlands regional health authority"

on the reasonable assumption that the regional health authority, which supervises and liaises with the district health authorities, would ensure that everyone in the Health Service has access and will be consulted before the race is held.

I think that a mistake has been made in the drafting of the Bill and that the change in the organisation of the Health Service a few years ago has not been understood by the city council. It was Conservative Ministers who introduced the structure of five district health authorities instead of the old Birmingham area health authority. Perhaps that is why we have been joined by a former Minister at the Department of Health and Social Security, the hon. Member for Brent, North (Dr. Boyson). In the expectation of a contribution from him as well as the hon. Member for Birmingham, Hall Green (Sir R. Eyre), I rest my case.

Sir Reginald Eyre: I accept the arguments by the hon. Member for Birmingham, Hodge Hill (Mr. Davis). Earlier I said that the drafting error would be corrected by an amendment moved in another place. However, I am happy to say that the hon. Gentleman's amendment is acceptable. I should like the hon. Gentleman to know that the West Midlands regional health authority has confirmed to the city council its satisfaction with the arrangements. The Bill is much improved by the amendment and I am grateful to the hon. Member.

Mr. Davis: That means that we shall amend the Bill, and I am only sorry that we shall not hear a contribution from the Minister, the hon. Member for Brent, North.

If we had concluded our deliberations a week ago, on Monday 24 June, it would not have been possible to amend the Bill in this way in this place. The city council would have been compelled in common sense and logic to correct the drafting of the Bill in the other place. I understand that that would have been expensive because a petition would have been involved.

Mr. Rooker: It would have meant that my hon. Friends and I would have felt bound to ensure that there was a Third Reading debate, which would have added to the cost of the Bill. Getting the matter right tonight saves money for the ratepayers, but it could have been put right earlier.

Mr. Davis: My understanding—I have taken the trouble to discuss it with Clerks in the Private Bill Office, who are supposed to be the experts—is that it would have involved a petition and not simply an amendment. I am told that it would have been expensive, but I may be mistaken.

We are able to debate this matter tonight only because we did not finish our deliberations a week ago. I must say that it would have been easy for the city council to do earlier what it has done in the past 10 days. It would have been possible for the city council, when I tabled this

amendment and sent a copy of it to the leader of the city council, to consult the West Midlands regional health authority before our discussions on 24 June. I am a bit disappointed that the council was a bit slow off the mark, but better late than never, and I am delighted that it has seen sense enough to accept my amendment.

Sir Reginald Eyre: I appreciate what the hon. Members for Birmingham, Hodge Hill (Mr. Davis) and for Birmingham, Perry Barr (Mr. Rooker) have said. We are entering the final stages of our examination of the Bill to which we have given close attention and we all agree that it is much improved. I hope that the possibility of a formal Third Reading will continue, because certain expenses —promotional costs—which I think we all wish to keep as low as possible, would be incurred by debate.

Mr. Davis: If I may speak for my hon. Friends the Members for Perry Barr and for Ladywood, we would not want to increase expenditure. Indeed, we have been concerned throughout to make sure that the Bill is sensible. It is now becoming more sensible by the minute. Whether there will be a Third Reading debate depends upon whether the spirit of concession and willingness to accept our amendments continues.

Amendment agreed to.

Clause 11

CHARGES FOR ADMISSION

Mr. Terry Davis: I beg to move amendment No. 22, in page 9, line 6, leave out 'The' and insert

'(1) Subject to the provisions of this section the.'

The Chairman: With this it will be convenient to take the following amendments: No. 23, in line 7, leave out '(1)' and insert '*(a)*'.

No. 24, in line 9, leave out '(2)' and insert '*(b)*'.

No. 20, in line 13, at end insert—

'(2) For Birmingham residents and families tickets shall be available at half price and arrangements shall be made under the Passport for Leisure Scheme or in some other way to provide tickets free or very cheaply for the unemployed and pensioners resident in Birmingham'.

No. 25, in line 13, at end insert—

'(2) The Council may make arrangements for the granting of concessions of not less than 10 per cent. in respect of the payment of charges under subsection (1).

(3) The Council shall exercise their power under subsection (2) above in relation to qualified persons ordinarily resident in the City.

(4) In this section:—

"concession" means the reduction or waiver of a charge either absolutely or subject to terms, limitations or conditions.

"qualified persons" means persons mentioned in any of the following paragraphs or any description of such persons, that is to say—

(a) men over the age of sixty-five years and women over the age of sixty years

(b) persons whose age does not exceed sixteen years

(c) disabled persons

(d) persons in receipt of unemployment benefit, supplementary benefit or family income supplement

"disabled person" has the meaning assigned to it by section 8 of the Rating (Disabled Persons) Act 1978.'

Mr. Davis: These amendments are tabled in my name, but it is my hon. Friends the Members for Perry Barr and for Ladywood who have been particularly anxious about the arrangements for concessionary prices for tickets for the motor race. They want to ensure that Birmingham residents, especially the unemployed, the disabled and the retired should be given the opportunity to purchase tickets at special prices.

The amendments arise out of discussions which I had last week with the hon. Member for Birmingham, Hall Green (Sir R. Eyre) and the promoters of the Bill. Although the amendments have been tabled in my name and those of my hon. Friends, I pay a special tribute to my hon. Friends, who have campaigned so strongly on this issue.

Mr. Bevan: Amendment No. 25 is wholly commendable. It is quite right that the citizens of the excellent city of Birmingham should have the proposed concessions. We all share that view.

My hon. Friend the Member for Dudley, West (Dr. Blackburn) thinks that the excess glories of Dudley zoo and Dudley castle outshine anything in Birmingham. I immediately dispute that, and those attractions may not, unfortunately, share the same concessions which should be available to the citizens of Birmingham in whose city this race will take place. I was happy, when on the city council, to introduce concessionary travel on the railways for the senior citizens of the area. Both Conservatives and Opposition Members have supported various forms of concessionary fares. We must ensure that the citizens of Birmingham enjoy the type of concession to which the hon. Member for Birmingham, Ladywood (Ms. Short) referred — a low admission price. I hope that such provision will help make the race popular.

8.15 pm

Mr. Rooker: We have just witnessed a road race on a bandwagon. The hon. Member for Birmingham, Yardley (Mr. Bevan) cannot wait to get on the bandwagon of the goodies being put into the Bill. I commend him for that, but wish that he had supported us earlier when we moved similar amendments on 1 April and were derided.

Mr. Bevan: I should be happy to provide a bandwagon in opposition to the hon. Gentleman. If he would care to take me up, his bandwagon could race my bandwagon on the time that the Bill takes to become an Act and the time that elapses before the first race takes place.

Mr. Rooker: I am interested only in improving the Bill by including provision for concessions and some financial probity. I assume that the first road race will take place in 1986. It is ironic that there will be concessionary admission prices for Birmingham ratepayers who want to see that race in the same year that concessionary bus fares in Birmingham end because of other legislation.

Amendment No. 25 provides that the city council has discretion to grant concessions of up to 10 per cent. in respect of admission charges, but that it must exercise that power in respect of people listed later in the amendment. People in Birmingham, whether unemployed, pensioners, disabled or just those who find life tough on low pay, will welcome the concession. Without amendment No. 25, there was no hope of a genuine concessionary scheme.

On 1 April, the hon. Member for Birmingham, Hall Green (Sir R. Eyre) said that there would be concessions for what he called "Birmingham folk". When we raised the matter with the leadership of Birmingham city council before Report, it was clear from their blank faces that they did not know what we were talking about. We said that,

[Mr. Rooker]

if they did not know what their representative had said on Second Reading, we wanted the matter spelt out in the Bill. That explained our pressure for amendments on 24 June which have been tidied up so that they are more technically efficient. I hope that amendment No. 25 will be accepted.

Ms. Clare Short: It appears that amendment No. 25 is finding all-party favour in the House. As my hon. Friend the Member for Birmingham, Hodge Hill (Mr. Davis) said, it is an alternative to amendment No. 20, which I tabled. We wanted to tie down the city council in its undertaking to provide concessionary tickets. As my hon. Friend the Member for Birmingham, Perry Barr (Mr. Rooker) said, what the hon. Member for Birmingham, Hall Green (Sir R. Eyre) said on Second Reading implied some sort of lottery. That commitment could be fulfilled by offering only five cheap tickets, and that would not have benefited many people in Birmingham.

The concessions promised in amendment No. 25 are limited. I hope that the city council will try to do better. My amendment calls for half-price tickets for all people living in Birmingham and very cheap or free tickets for the unemployed and the disabled.

Amendment No. 25 states:

"The Council may make arrangements for the granting of concessions of not less than 10 per cent."

to the citizens of Birmingham. However, it does not require the council to do that. If the council was mean-minded, the unemployed and the disabled would receive no concession. I hope that that will not be the case and that the council will ensure that everyone in Birmingham——

Mr. Rooker: I think that my hon. Friend is a little inaccurate. The people listed—such as the disabled, the unemployed, those under the age of 16 and pensioners —must receive a concession because the word "shall" is used. It is with the generality of ordinary domestic ratepayers that the council has discretion.

Ms. Short: There is no difference between my hon. Friend and me on that point. I agree with his interpretation of the amendment, which states, "may make arrangements" for all the people of Birmingham and "shall" make arrangements for pensioners, the disabled, people under 16, those on unemployment and supplementary benefits and those in receipt of family income supplements. Therefore, all that the amendment secures for certain is a 10 per cent. concession for those groups.

I hope that we all agree that it is reasonable to impose by law only that minimum condition on the city council. However, we all want to do better than that and to make a larger concession to the citizens of Birmingham. I understand that the tickets will be expensive—the city council suggests between £5 and £25 each. Anyone wishing to take their family to such an event would find it expensive. The hon. Member for Birmingham, Yardley (Mr. Bevan) said that 250,000 happy Birmingham people attended the original event. That event was free and families could enjoy a nice day out without it costing them anything. If tickets for a race—which might be more exciting, who knows—cost a family £25, fewer people would be able to afford to go.

Many people in Birmingham have been led to believe that they will be able to have a fun day out, but there is a danger that they may not be able to afford to go. I hope that the hon. Member for Hall Green will be able to give a commitment that the city council will try to do better than the rather small minimum contained in the amendment.

Mr. Roger King: I wish to address my remarks to amendment No. 25. I have always been under the impression that there would be some form of concessionary ticketing. Indeed, that applies at most motor racing circuits. Although the cost of a ticket to Brands Hatch or Silverstone may be £5—or a good deal more for a grandstand seat — there are usually concessions for carloads. A set price is paid for a car, regardless of the number of people in it. Obviously, that must be within reason because the people on the gates would watch closely for a mini with 20 people in it.

There needs to be some imagination in the way the tickets are sold. Motor racing events are expensive to stage, and no one has tried to hide that fact during the passage of this Bill. We need to get as many people to the event as possible. The figure might not be 250,000, but it will include people from Dudley, Walsall, Wolverhampton, Coventry and throughout the country. The tickets must be pitched at a price that people can afford.

A ticket to a cinema in Birmingham will cost about £2 or £2·50. For a family, the cost would be about £12, plus whatever is spent on icecreams. Therefore, if the price of the motor racing tickets is pitched carefully, people would have about 10 hours of intermittent entertainment, which would be good value.

Many people will have a freeman's day because they will be domiciled in some of the tower blocks near the track. They will have a commanding position to view the day's events at no personal cost. They will witness what many people would call an exciting spectacle. However, to be honest, others might describe it as monotonous. Cars racing round a circuit do not fill everyone with enthusiasm —perhaps only 99 per cent. of us.

At many circuits throughout the country the unemployed are unable to watch motor racing because of the cost of travel to the tracks. The disabled are also disadvantaged because they have to vacate cars and cross grass areas to watch the race. I hasten to add that many of the established circuits do provide facilities for the disabled. The only way for many people to see a race is on television or at the cinema.

I firmly believe that many of the categories in amendment No. 25 should receive concessionary tickets and have the opportunity to see a race. After all, the whole object of the exercise is to expand the motor racing market and the activities, the business and the industry that it generates. The more people who watch a race, the more income there is for the industry.

Motor racing is one of Britain's most successful industries. It is not readily appreciated that at Indianapolis some 70 cars compete, of which 65 are British-built with British engines. During the last few years the winners have been British cars. Britain is pre-eminent in the design of motor car so it is right that more and more people should have the opportunity to witness a spectacle in which we are virtually one of the world's leaders — with the possible exception of Ferrari, which is legendary for its spasmodic attempts at usurping British racing cars.

I note that the amendment refers to

"men over the age of sixty-five years and women over the age of sixty years."

I suppose that that is a throwback to the pensions business. It is just a bit disadvantageous for males—they have to be five years older than women to appreciate the sport on a concessionary ticket. I do not criticise the hon. Members who tabled the amendment. It is one of those unfortunate things that we lesser mortals—the males of the species—have to tolerate. It has happened yet again in broad letters that we can all witness.

It is important to encourage families to take part in motor racing activities. Although those living close by will be able to see the event at little or no expense, my constituents in Northfield will have to use public transport or their own cars to get to the circuit. I hope that those using cars will have the benefit of a family ticket. Indeed, there should be an opportunity to purchase a family ticket whatever transport one uses. For example, one could buy a family ticket at a railway station in, say, Coventry that would take people to the circuit by rail. That will not be in effect by next August, but it will be afterwards when all the private bus companies will be supplying cities with the cut-price fares and wonderful services that we confidently expect.

8.30 pm

The main criticism about concessionary tickets, which has been mentioned only in passing, is that applicants must be resident in the city. This provision will create the problem of producing evidence, which is acceptable to the ticket vendor, that one lives in the city. That can be overcome, but there would be problems of issuing concessionary tickets on the day. One way round that problem would be for concessionary tickets to be purchased a few days before the event, to allow those who are entitled to concessionary tickets to get them.

The normal practice at motor racing events is that if someone buys a ticket in advance, he gets a concessionary ticket whether or not he lives adjacent to the circuit. I hope that our friends in Dudley, Wolverhampton, Walsall and anywhere else in the west midlands who wish to avail themselves of a ticket two or three weeks in advance of the event will be entitled to a discount. That is not stipulated in this amendment, but it does say that the council may make such arrangements. I hope that the arrangements will be extended to other parts of the west midlands and not be confined to the citizens of Birmingham. As was so eloquently said by my hon. Friend the Member for Dudley, West (Dr. Blackburn) this is not merely a Birmingham event.

Ms. Clare Short: It will be the ratepayers of Birmingham who will have to spend the £1·5 million every time the race is run. It is right that they should have cheaper tickets than anyone else, because they will pay for the staging of the event.

Mr. King: The hon. Lady has said the word. It is right that the people of Birmingham should have "cheaper" tickets. Those in the immediate area surrounding the city, upon whom the motor race will depend largely for its success, should also have some form of concession. That is normal marketing procedure. Nowadays, there is not just one price for a ticket, take it or leave it. Instead, there is a range of opportunities, such as family tickets, advance purchase tickets, local citizen tickets and through tickets, including transport by bus and train. There is wide scope for imagination.

The amendment is not necessarily needed to improve the Bill. Any organisation seeking to make a profit and a success of a venture such as this would leave no stone unturned in its efforts to sell as many tickets as possible. If it suits the Opposition to categorise the series of concessions that they would like, I am happy to support them.

Sir Reginald Eyre: I am glad to accept the amendment in the names of the hon. Member for Birmingham, Hodge Hill (Mr. Davis), the hon. Member for Birmingham, Perry Barr (Mr. Rooker) and the hon. Member for Birmingham, Ladywood (Ms. Short). I believe that it expresses a feeling that is widely held in Birmingham. I agree with the interpretation of the clause which was developed by the hon. Member for Ladywood and other Opposition Members. I hope that the generous interpretation of the scheme that she asked for will be implemented. That would make the scheme so much more attractive in Birmingham.

My hon. Friend the Member for Birmingham, Northfield (Mr. King) has emphasised the importance of selling tickets. It will be necessary to effect a large number of successful sales and we shall want to encourage block bookings from Sandwell, Dudley, Wolverhampton and all parts of the west midlands. We shall want also to attract visitors in large numbers from Scotland, the north of England, Wales, Northern Ireland, Kensington and other parts. In addition, we hope to attract many visitors from overseas.

Dr. Blackburn: Does my hon. Friend accept that there is a market of about 750,000 people concentrated in the black country? My hon. Friend the Member for Birmingham, Northfield (Mr. King) has suggested that a concession might be presented to those who live in areas adjacent to Birmingham without taking away the benefits that citizens of Birmingham will have.

Sir Reginald Eyre: The costings exercise has not been completed, so it is not possible to talk about costs in detail. The principle of having attractive terms for those in the west midlands appeals to us all and the notion of having a special consideration for the people of Birmingham has been accepted on both sides of the House. We want especially attractive terms to be available to Birmingham people. In all the circumstances, I am glad to accept the amendment.

Mr. Terry Davis: I am glad that the hon. Member for Birmingham, Hall Green (Sir R. Eyre) is prepared to accept the amendment.

Unfortunately, it seems that the hon. Member for Birmingham, Northfield (Mr. King) may have misunderstood one or two matters. He is definitely labouring under a misapprehension if he thinks that there would have been a concessionary scheme for Birmingham residents, the unemployed, the retired or the disabled if my hon. Friends had not tabled earlier amendments to the Bill.

Perhaps I should explain that my hon. Friends and I met the representatives of the city council in March shortly before Second Reading. We had been asking for a meeting for five months and some time passed before the leaders of the council were able to arrange to meet us. It was clear from the expression on the faces of the council representatives that the creation of especially attractive terms for those groups of people was a new idea for them. Indeed, it was clear that the idea was a revalation. They had not anticipated that we might be asking for such a scheme.

[Mr. Terry Davis]

As my hon. Friend the Member for Birmingham, Perry Barr (Mr. Rooker) has said, in spite of everything that was said on Second Reading, the council representatives had not considered what should be done by the time that we met them again shortly before Report. I do not accept that the arrangements that we are discussing would have been made if my hon. Friends, with my support, and the support of others, had not advanced the suggestion. The hon. Member for Northfield is simply mistaken if he thinks that it would have happened in any case.

The hon. Member for Northfield made a serious comment about attractively priced tickets for retired men and women and said that it was unfortunate that men would have to wait until 65 years while women would be eligible at 60 years. I agree with him entirely. However, the wording of the amendment was negotiated with the representatives of the city council last week and the form in which it appears before us is their drafting. We wanted our objectives to be met and we were willing to accept their wording. We were arguing on behalf of pensioners, and men retire at 65 years under the state pension scheme. I have always supported the idea of a reduction in that retirement age to bring it into line with the retirement age for women. In view of the remarks of the hon. Member for Northfield I look forward to his support in the Division Lobby on the next occasion that that proposal is put before the House.

Mr. Roger King (Birmingham, Northfield): I do not want to be side-tracked on this debate as to when one should retire, but I support the same retirement date for men and women, not necessarily at 60 but somewhere in between. I support a lot of things I would like to see happening but it is not necessarily the case that one can afford to do them.

Mr. Davis: I am not going to be distracted by the hon. Member for Northfield because I have always believed in raising the level of people who have least to the level of people who have more, and I am not going to do it by taking a lot from people who have a little. I would have thought that was the sort of philosophy that Conservatives would have accepted. I am disappointed that the hon. Gentleman wants to penalise women in order to benefit men. I will not pursue that any further because I am sure we will have an opportunity to pursue it at a future date, and I look forward to seeing how the hon. Member for Northfield votes on those occasions.

He also raised a very important point about how a Birmingham resident would be defined. I understand his point, but I repeat that the wording of this amendment was negotiated with representatives of the city council and they told us they could do it. The phrase "Birmingham people" is a difficult one to define and cannot be restricted to Birmingham ratepayers. We are concerned that people who live in Birmingham should be able to buy tickets at concessionary prices.

The wording of the amendment, as my hon. Friend the Member for Birmingham, Ladywood (Ms. Short) has rightly emphasised, only makes it possible for the council to give a concession to Birmingham people. We have been given a firm assurance that it is the intention to provide that sort of concession and we want to put it in the Bill in order to emphasise our concern. If the council had not met us on this point, I do not think my hon. Friends and I would have allowed this Bill to pass so easily this evening.

I must also draw the attention of the House to the fact that the concession would not be restricted to Birmingham residents. There is nothing to stop the organisers of the motor race from providing concessionary tickets to individuals or groups of people as they think right from a marketing point of view. But we were elected to represent the people of Birmingham and we argued for many months that they would be paying a price as a result of this motor race in terms of expenditure which would not take place on things which we regard as worthwhile items of expenditure by the city council. If they are going to pay any price at all, and that price has been reduced to a very low level as the result of concessions by the city council, it should nevertheless be balanced by an advantage.

The concessionary price for Birmingham people—and they are the people who are suffering a loss of expenditure in other fields—should be allowed in order to provide that advantage. It is only permissive in the Bill, but we have been given a firm assurance, and we are satisfied with the integrity of the representatives of the city council who met us. I repeat that we are not concerned about marketing or the motor race industry. I am not entering into disputes with the hon. Gentleman for Northfield about that. I am quite sure that people who are promiting this Bill and organising this motor race will take that sort of decision. Of course, their decision will be based on marketing reasons and on what is most profitable. Indeed, the hon. Gentleman is arguing that the decision will be based on whether it increases income for the motor race. That is not our point of view. We are concerned to ensure that people living in Birmingham have an opportunity to see this motor race at a lower price than people who do not live in Birmingham. We are not concerned about increasing the profits from the motor race but about increasing the opportunities for enjoyment for the people we represent.

The hon. Member for Dudley, West (Dr. Blackburn) expressed the hope that there would also be a concession for people in the black country. The hon. Gentleman wants to have his cake and eat it. He wants to have benefits for the people of the West Midlands county after his Government have abolished the West Midlands county. He cannot have it both ways. From next year the people in the black country are going to be on exactly the same footing, as far as the people of Birmingham are concerned, as people who live in Worcestershire or Warwickshire or Staffordshire. They will simply be people living under a different local authority, thanks to this Conservative Government. The hon. Gentleman cannot come asking the people of Birmingham to give concessions to people who live in places which were in the West Midlands county, a body which will not exist, I fear, after that time.

8.45 pm

The hon. Member for Northfield said this amendment was not needed. In one sense he is quite right. It would have been possible for the council to give these concessions to Birmingham people and to give concessions to the retired, the disabled, the young and the unemployed without this provision being written into the Bill. However, we were concerned about the lackadaisical way in which the council was approaching the arguments we put to it. The council did not come back to us and say

that it had got a scheme. The reaction was, "Well, we hear you and we will think about that at some time in the future." We were not willing to allow this Bill to pass without ensuring there was more than that. These arrangements are not perfect but they are the minimum on which we will allow this Bill to proceed.

Amendment agreed to.

Amendments made: No. 23, in page 9, line 7, leave out '(1)' and insert *'(a)'*.

No. 24, in page 9, line 9, leave out '(2)' and insert *'(b)'*.

No. 25, in page 9, line 13, at end insert—

'(2) The Council may make arrangements for the granting of concessions of not less than 10 per cent. in respect of the payment of charges under subsection (1).

(3) The Council shall exercise their power under subsection (2) above in relation to qualified persons ordinarily resident in the City.

(4) In this section:—

"concession" means the reduction or waiver of a charge either absolutely or subject to terms, limitations or conditions.

"qualified persons" means persons mentioned in any of the following paragraphs or any description of such persons, that is to say—

(a) men over the age of sixty-five years and women over the age of sixty years

(b) persons whose age does not exceed sixteen years

(c) disabled persons

(d) persons in receipt of unemployment benefit, supplementary benefit or family income supplement

"disabled person" has the meaning assigned to it by section 8 of the Rating (Disabled Persons) Act 1978.' —*[Mr. Terry Davis.]*

Clause 22

RESTRICTION ON RIGHT TO PROSECUTE

Mr. Rooker: I beg to move amendment No. 14, in page 16, line 20, leave out

'the Council or a constable'.

This clause probably appears in dozens of other similar Bills. It is not a question of my suspicion of the legal officers on Birmingham city council, although they do unnecessarily harass many of my constituents. Neither the council nor the constable should have the power to prosecute for any offence under this legislation unless the Director of Public Prosecutions agrees. I do not understand why the clause has been drafted in this way, allowing only an aggrieved person to organise and start a prosecution and then slip in that either the council or a constable can do it. If the council wishes to prosecute anyone as a result of an offence under this Bill, it should get the approval of the Director of Public Prosecutions. There should not be blanket approval to do so as is provided for in the Bill.

I accept that prosecution policy will change in any event, and it is a change that will win my support. As I understand it, the promoters are prepared to accept the amendment.

Sir Reginald Eyre (Birmingham, Hall Green): I am glad to accept this amendment. As a result, the consent of the Director of Public Prosecutions will be necessary.

Amendment agreed to.

Bill, as amended, to be read the Third time.

BUSINESS OF THE HOUSE (ESTIMATES)

Ordered,

That—

(1) Standing Order No. 19 (Consideration of estimates) shall have effect for this session with the substitution of four days for the provisions in paragraph (1) of the Standing Order;

(2) On the third day allotted under that Standing Order, consideration of estimates may continue though opposed, until half-past Eleven o'clock, the estimates listed in items 1 and 2 of the Report of the Liaison Committee [27th June] shall be considered in that order, and paragraph (2)*(c)* of the Standing Order shall have effect with the substitution of half-past Eleven o'clock, or the hour at which debate on the estimates listed in item 2 of that Report shall have been concluded, whichever is the earlier, for the provisions in that paragraph;

(3) On the fourth day so allotted, the estimates listed in item 3 of that Report shall be considered until not later than Seven o'clock.—*[Mr. Durant.]*

Nephrops Fishing Industry (Portavogie)

Motion made, and Question proposed, That this House do now adjourn—*[Mr. Durant.]*

8.09 pm

Mr. John David Taylor (Strangford): I wish to raise on the Adjournment the problems of the Northern Ireland nephrops industry at Portavogie, County Down, which also relate to the fishing port at Kilkeel, in the constituency of my right hon. Friend the Member for South Down (Mr. Powell). This afternoon we had a debate about improving stability in Northern Ireland. This is the third debate today on Northern Ireland affairs, because we had one between 2.30 and 5 o'clock this morning. The Minister will agree that Portavogie and its constituency of Strangford are a stable part of the United Kingdom, probably much more stable than many parts of England. In Portavogie, a most attractive village, we have one of the major fishing fleets in Northern Ireland—the other being Kilkeel. Portavogie has 60 boats of more than 40 ft in length.

The fishing industry in Northern Ireland is considerably larger than many people realise, and it contributes greatly to our income and our employment. It is directly responsible for the employment of 800 men on the boats and a further 800 people in the processing industries—a total of 1,600 employees. It contributes about £12 million from the sale of the various fish that are caught.

The fish types vary considerably, but the main ones are mackerel, cod, whiting and nephrops. There are many other fish, including a small catch of scallops. That is another problem that the Northern Ireland fishing industry faces, and I hope that the Minister will take this opportunity to say something about that. As he knows, the scallop fisheries in the Irish sea have been closed since 1 June this year, with the exception of the stretch around the County Down coast. So alarmed are the Northern Ireland scallop fishermen that at present they are refusing to fish, and they fear that the existing beds are being over-fished by boats that do not normally come into their local waters.

The word "nephrops" is not often used in day-to-day discussion. In fact, they are prawns, although scientists would argue that they are not exactly the same. Nevertheless, for the remainder of the debate, which could continue until 10 o'clock, although I hope that that will not be necessary, I shall refer to prawns and the various problems facing the prawn industry in the Province.

The Northern Ireland prawn industry is now a significant part of the total industry and comprises 40 per cent. of the Northern Ireland fishing industry's total income. Unbelievably, the prawn catch in Northern Ireland is now 25 per cent. of the total United Kingdom catch. Any damage to the nephrops industry in Northern Ireland would have a dramatic effect on that industry as well as implications for prawn cocktails that you, Mr. Deputy Speaker, and other hon. Members enjoy from time to time. Therefore, it is in everyone's interest to safeguard the prawn industry in Portavogie and elsewhere in Northern Ireland.

The apprehension and legitimate fears of the Portavogie fishing industry arise from the existence of the common fisheries policy. Spain and Portugal recently signed a treaty of intent to become members of the EEC from 1 January 1986. Among the terms of accession are provisions relating to the future of the nephrops industry, in which Spain in particular has a direct interest.

I understand that the European Commission is proceeding with proposals on the nephrops industry, and I hope that the Minister will clarify this. I understand that it hopes to introduce a market support scheme. In the Northern Ireland nephrops industry there is opposition to the idea of such a scheme, which is felt to be quite unnecessary. The Northern Ireland fishing industry is able to sell its catch but feels that, if such a scheme is introduced, in parallel with it will be various controls on the number of nephrops that can be caught. That will have complications for the number than can be sold as well as for the number of people directly employed by the industry. I should therefore like to know whether there will be a market support scheme.

How will such a scheme operate? Will the entire catch or only a percentage of it be brought in? What qualifications will be involved in a market support scheme? What other conditions will be applied? Does the Minister envisage the introduction of total allowable catches, which already apply to other fisheries under the common fisheries policy? If there is a TAC for the nephrops industry in Northern Ireland, that will mean reduced catches. That will result in fewer jobs and higher prices for the prawn cocktails that are sold in hotels and restaurants throughout the United Kingdom. This therefore affects consumers throughout the nation as well as fishermen in small villages such as Portavogie which provide 25 per cent. of the nation's total prawn catch.

There is also concern about the size of the prawns. It could well be that, in order to qualify for the scheme, prawns will have to be of a certain size. At present all the prawns that are caught are sold irrespective of size, but it has been rumoured that the European Commission is suggesting a minimum size of prawn of 46 mm. If that is so, 70 per cent. of the present Northern Ireland catch would be illegal, and that would have disastrous results for the prawn industry throughout the Province.

Has the Northern Ireland Office made representations in this regard? Does it recognise that the prawn caught in the Irish sea is a dwarf nephrops? Does it recognise that Northern Ireland nephrops are different from the nephrops caught elsewhere in the European community? Has that special feature of the Northern Ireland prawn industry been bought to the attention of Brussels?

The same problem applies to the prawns caught by the Republic of Ireland. Therefore, what I am arguing for will help not only the Northern Ireland industry but the fishermen who catch prawns from bases within the Republic of Ireland. If there are to be various sizes of prawns to qualify for this market support scheme they would have to be graded, presumably on the boats. I should like clarification on where the grading will take place. Will it be on the boats or on shore? If the tails are taken off on the boats and they are graded there, one can imagine the extra workload this will place on the fishermen and, yet again, the increased cost of the prawns to the consumer.

My final point concerns mesh sizes. The mesh size at present is 60 mm and there have been suggestions from time to time that the European Economic Community will require it to be increased to 70 mm. That would discriminate against the special type of nephrops in the Irish Sea because, as I have said, this is a dwarf nephrop similar to that which one finds in the Bay of Biscay but certainly dissimilar from those elsewhere within the European Economic Community.

The concerns facing the nephrops industry in Portavogie are the support scheme, the size of the mesh and the net, the size of the prawn itself to qualify for the scheme, whether there will be total allowable catches or whether we will be able to continue to catch as many nephrops as are caught at present without any restriction because of the ample supply. There is no need to curtail the number of prawns that are caught.

If these problems are being followed up by the Government, there is a good future for the prawn industry in Northern Ireland; but if the Government are not vigorously presenting the special interests of the Northern Ireland nephrops industry we shall certainly have problems which will have to be pursued—and not, I hope, by calling a meeting of the Northern Ireland Committee, because that is something we would wish to avoid for some time. It is a serious matter which requires to be pursued, if the Minister cannot give effective replies tonight, in order to reassure fishermen in Portavogie and elsewhere in Northern Ireland.

9 pm

Mr. J. Enoch Powell (South Down): I am grateful to my right hon. Friend and neighbour the Member for Strangford (Mr. Taylor) for cutting me in on his Adjournment debate in circumstances which render the limitations rather less restrictive than normal.

I note that the Minister of State will reply to the debate, so that we are speaking at three removes from our actual target. He is representing the noble Lord who is responsible for agriculture and fisheries in the Government of Northern Ireland but that Government does not have responsibility for negotiations between the United Kingdom and the European Economic Community in fisheries matters, so the real target of my right hon. Friend and myself is Her Majesty's Government in their relations with the European Economic Community. It is in that context that I want to follow up what my right hon. Friend said by underlining two considerations which ought always to be in the mind of those who are negotiating on behalf of our part of the United Kingdom—indeed, that part of the United Kingdom concerned with fisheries in the Irish Sea—with the European Economic Community.

Although I hesitate to do so, I am impelled to insert at this point a grammatical observation. It occurred to me, though I shudder at the thought, that my right hon. Friend might have been guilty of solecism in assuming that nephrops was a plural and that there was such a thing as a nephrop or a nephrops industry. It will be realised that nephrops is a word like cyclops and means something which looks like a nephron or kidney, which is what a scampo looks like—if that is the singular of scampi—when it is nicely curled up and is having its tail taken off in a force 8 gale in the Irish sea. Nephrops is the singular as well as the plural of this remarkable species. That is enough of pedantry—perhaps too much.

Those of us negotiating on behalf of the United Kingdom ought to have two facts firmly in mind. First, it should not be assumed, unless the facts bear it out, that in discussing a species one is discussing something which is unitary in European terms. Very often the species, as it presents itself in the North sea, is different, in peculiarities, in size, in habits and in plentifulness, from the same species in the rest of the European waters. Consequently it is easy for fishermen surrounding the Irish sea to suffer from the natural vice of the European Economic Community of harmonisation and of assuming they are dealing with the same thing in all parts of the European Economic Community and what it now calls its waters. It is not the same thing and I wish to underline the fact, which my right hon. Friend emphasised, that the Irish sea nephrops is distinctively different from nephrops in most of the rest of the European waters and that therefore measures of control or regulation ought to take full account of those species differences between the Irish sea nephrops and the rest.

My second observation goes deeper still and is of a social as well as a biological character. It relates to conservation. We tend to talk about conservation as if it was a bright new idea that had dawned upon us in the past 15 years. Total allowable catches are laid down in the context of the common fisheries policy as a new gift to mankind, as though nobody had ever thought before of the conservation of fish resources round our shores.

Those who live by the fish, and whose ancestors have lived by fishing for generations, have worked out a symbiosis with the fish that provide their livelihood. They have always been alive to the requirements of conservation. Therefore, they have worked out systems of fishing, modes of fishing, types of catch, and periods of fishing which are peculiar to the particular fishery but which are nevertheless highly conservationist. Yet it is possible for the EEC to come blundering into that socially mature environment with notions of conservation, steamrollering what has been going on for generations, to the benefit of all, including the fish species.

The fishermen of County Down, whom my right hon. Friend and I represent equally, have worked out over the generations a pattern of fishing for scallops as well as for nephrops that is calculated to yield the maximum benefit to the nephrops and to the fishermen, if such a coincidence of interest can be conceived. Therefore, it would be wrong to intrude a system of subsidy and support upon those fishermen, together with the attendant rules as to time, size of catch, net dimensions and so on, which would cut right across the truly conservationist habits that prevail on the coast of Northern Ireland.

I will not persist upon the point, but this is an illustration of how damaging our membership of the European Community, with its harmonising and universalist assumptions, can be to the interests of the inhabitants of parts of the United Kingdom, not least those who, like our constituents, live in one of the peripheral provinces.

I appeal to the Minister of State to convey to us this evening the assurance that he will brief his colleagues in the Ministry of Agriculture, Fisheries and Food and say to them, "When you have to deal with the enlarged Common Market, with those predators from Spain and Portugal who have been let into the game, bear in mind that when they appear to be talking about a species, they are not necessarily talking about a species as it affects the fishermen of Northern Ireland, and that when they purport to introduce schemes for support of the industry, those schemes may be a curse in disguise to those who have worked out the modalities of their own industry in a manner that is profitable to them; do not let them assume that the fishermen are not alive, in their present practices relating to size, method and period of catch, to the interests of conservation."

The fishermen are the great conservationists. The European Economic Community has nothing to teach the

[Mr. J. Enoch Powell]

nephrops or the scallop fishermen of Northern Ireland on the subject either of nephrops or scallops or of conservation as it affects those species.

9.10 pm

The Minister of State, Northern Ireland Office (Dr. Rhodes Boyson): I have listened with intense interest to the speeches of the right hon. Members for Strangford (Mr. Taylor) and for South Down (Mr. Powell). I have to confess that I am not an expert on nephrops, and I welcomed the right hon. Member for South Down's wise, not pedantic, description of the singular and the plural. This is an important matter for all those who are concerned. It is their livelihood.

The right hon. Member for South Down said that conservation is not a new concept. In order to survive, from the very beginning the human species has had to create a balanced environment. It knew that once a species became extinct it had gone for ever. Man has evolved a relationship with his environment and does not need Parliament to tell him how to achieve it.

The right hon. Member for Strangford referred to the fact that my noble Friend Lord Lyell is responsible for agriculture in Northern Ireland. One the other hand, I am responsible in this House for agriculture and take an interest in it. I know how important agriculture and fishing are to the Province.

Nephrops, commonly known as prawns, is the most important species for the Northern Ireland fishing industry. In 1984, nephrops landings in Northern Ireland were 4,030 tonnes, worth £3·1 million, representing 40 per cent. to 41 per cent. by value of total fish landings. This is an important issue for the people of the Province. Approximately 600 people are employed in nephrops processing, producing mainly scampi for the United Kingdom and Irish markets. Approximately 20 per cent. of the total United Kingdom scampi market comes from Northern Ireland.

Portavogie is the second largest of Northern Ireland's fishery harbours. Approximately 590 people are employed there, either directly in the fishing industry or in its ancillary industries. In 1984, 1,156 tonnes of nephrops were landed there. This represents 15 per cent. of total fish landings in Portavogie and 25 per cent. of total landings of nephrops in Northern Ireland.

The Government were pleased to be able to help the fishing industry at Portavogie through the recently completed major harbour redevelopment scheme, to which we contributed nearly £4 million in grant aid. I know that the fishermen at Portavogie have made good use of these facilities, particularly during the past winter season when, I am informed, there were large landings of white fish.

The right hon. Member for Strangford referred to the concern — I shall pass on this concern to my noble Friend — felt by the Northern Ireland fishing industry over a number of European Community proposals relating to nephrops, which, it is feared, may have an adverse effect on the Northern Ireland industry. Besides passing on this concern to my noble Friend I shall try to deal now with the points that have been made in this debate. I shall write to the right hon. Members for Strangford and South Down if I am unable to deal with any of their points from the Dispatch Box. It is the job of Northern Ireland Ministers to defend the interests of Northern Ireland, wherever they can, so I shall ensure that these points are also passed to my right hon. Friend the Minister of Agriculture, Fisheries and Food. When any European Community measures on fisheries are considered, my noble colleague who is responsible for fisheries matters in Northern Ireland and his officials ensure that the position of the Northern Ireland fishing industry is taken into account, so I am sure that this Adjournment debate will be studied carefully by my noble Friend and his officials.

On nephrops, officials have regularly consulted the main representatives of both catchers and processors, and as far as possible they have been kept informed of developments, and their advice sought on the implications, which are of concern to everybody, for the Northern Ireland industry.

Basically, two points are raised. The most immediate concern to the industry is probably the proposed private storage aid scheme for nephrops and the minimum marketing standards that will be introduced as a consequence of the scheme. The first point of concern is the marketing scheme and the second is the standards that are being imposed and whether there will be a limitation on catch. I shall deal with both issues.

While the details of the scheme have not yet been finalised, I understand that the industry has been informed of the outline structure around which the scheme will be constructed. The private storage scheme is not mandatory. It will be up to those concerned to decide voluntarily whether to take part, and I believe that it is the wish of the nephrops fishermen in the area not to be involved in the scheme. There is no question of a limitation of catch.

Mr. John David Taylor: The Minister has emphasised that the scheme will be optional and it is interesting to have that confirmed. He also underlined the fact that there is strong opposition to the scheme by the Portavogie fishermen. If the scheme is optional and one opts out of it, does that mean that one does not have to comply with the grading sizes of nephrops?

Dr. Boyson: I shall deal with that. Meanwhile, I was trying to deal in two parts with the main points that the right hon. Gentleman raised. The first is, as it were, the straightforward point about the scheme, under which, say, 20 per cent. is taken off the market and stored, to be brought back on to the market at another time.

As the right hon. Gentleman pointed out, the fisherman can sell that quantity. There is no point in storing what can be sold. I may be primitive in my view that they are better if they are fresh. Having been on Strangford lough and having eaten nephrops—I almost called them prawns; I must not be accused of deviation from the ultimate truth —the very fact that they have come ashore fresh, their death warrants having been signed only a moment previously, seems to make them taste at their best.

The marketing standards, however, will be mandatory. I am now dealing with the second part of the issue, and it is clear that this aspect will have to be watched by the Northern Ireland fishing industry and those who speak on its behalf. In setting the standards, due regard will be given to the size variation between nephrops stocks in different water around the United Kingdom, particularly the smaller sizes of nephrops which are landed from the Irish sea.

When I was in Northern Ireland this morning I was shown a map of the area between the United Kingdom and Northern Ireland and it resembled almost an inland sea.

Though having been in the Royal Navy in a previous incarnation, I had never seen the area as an inland sea, particularly bearing in mind all the ships that came across from America during the war. In that it is almost surrounded, it is a different area, and the species in it are different.

The right hon. Member for South Down said that species were different everywhere. It is not that they might have been different had they been planted somewhere else; history continues, and they were not planted anywhere else. They are there, in that existence, and the very fact that they do not stay that size elsewhere must be recognised. Apparently in the open sea, including in the Atlantic, they are larger, and the difference in mesh, therefore, matters greatly.

I was about to refer to them as people. They are so lovely to eat that I see them almost as individuals. Even if these nephrops do not grow to the size of nephrops elsewhere imagine their embarrassment when all their lives they have wanted to be eaten but have been too small to be caught in a net.

One is reminded of "Alice in Wonderland." Lewis Caroll could have written a wonderful story about these beings. Here they are in Strangford lough wanting to be eaten by, among others, the right hon. and hon. Members who have spoken in the debate, and myself, but are never caught because they are too small to stay in the net. Clearly, that must not be allowed to continue. For the sake of the nephrops and the people who would enjoy eating them, something must be done. As there is agreement on both sides of the House about it, we could have a unity of parties on the issue.

Mr. Stuart Randall (Kingston upon Hull, West): I was not aware that Alice wanted to be eaten.

Dr. Boyson: I am not so sure. I could almost quote from the book. We must not overlook the way in which the walrus danced. In any case, nephrops were not thought of at that time.

The right hon. Member for South Down spoke of conservation. The idea of conservation, both on the fish side—although they are not consulted about it—and on the human side, is to make sure that we have some to eat not only this year but next year.

As I say, the marketing standards will be mandatory. In setting the standards, due regard will have to be given to the size variation. I understand, however, that the most recent proposals for standards discussed in Brussels would be regarded as acceptable by the Northern Ireland industry, and this will obviously be followed up by the right hon. Member for Strangford and by my noble Friend.

The right hon. Gentleman referred also to nephrops being brought into the system of total allowable catches and quotas as a result of the settlement reached on fisheries following the accession of Spain to the Community. During the negotiations with the Spanish, we secured agreement to the exclusion of Spanish vessels from fishing in the area known as the Irish box until the end of 1995. This includes the whole of the Irish sea, and thus the waters which are fished for nephrops.

Total allowable catches will be set for nephrops in certain sea areas from 1986 to prevent unrestricted fishing for nephrops by Spanish vessels in the sea area in which they are allowed to fish. While Spain has been allocated a relatively small share of the total allowable catch in these sea areas, no proposals have yet been made for the allocation of the remainder of the nephrops total allowable catches between the existing member states, and this remains a point of negotiation.

I note that the right hon. Gentleman referred to the possible effects of the Hague agreement—he obviously had this in mind, although he did not say it—on the setting of individual member states' quotas in the Irish sea. If quotas are to be set, we shall aim to ensure that the United Kingdom quota is sufficient to meet the needs of all United Kingdom nephrops fishermen in this area. I think that that is one of the big concerns that have been raised.

I note also the industry's concern about the proposal to increase the minimum mesh size when fishing for nephrops from 60 mm to 70 mm, which was clearly stated by the right hon. Gentleman. While I can understand the industry's concern, there is obviously a responsibility on those concerned with fisheries management to ensure that in the longer term sufficient fish resources are available, and mesh sizes are an important factor in the rational management and improvement of stocks. I am aware from what has been said elsewhere of the long-term link between the two. I have been informed that quite a few of the nephrops fishermen are happy with a larger size, although some obviously are unhappy about it. There will have to be consultation with the fishermen and the people who are involved in the making of the agreements.

An EC scientific working group has been established to advise on the conservation benefit of an increase in mesh size for both nephrops and white fish taken as a by-catch. One of the Department of Agriculture's fisheries scientists is a member of this group, and it is expected that the group will report to the Commission soon. The critical issue is the advice given on conservation and the effects that this will have. I have studied the question this week. Since nephrops here are smaller than in the rest of Europe, special consideration will have to be given to the situation or they will be severely disadvantaged. I understand the point, and I am glad that the right hon. Gentleman and I see eye to eye on this crucial issue.

As the issues develop, the position of the Northern Ireland industry will be fully considered and the regular consultation that has been taking place with the main spokesmen of the industry will continue.

I wish also to mention scallops because the right hon. Member for South Down has raised the matter with me, and I have passed on his comments to my noble Friend. There is concern about the effect of stopping fishing on the borders of the Republic. I am informed that an air review is made weekly of the number of boats fishing for scallops. This is the service that takes air surveys of the fishing fleets to ascertain what is happening. I am informed that since 1 June, when scallop beds elsewhere in the north Irish sea were closed, those who advise the Department —this is why we have hon. Members and Ministers present to discuss the matter in the House — have considered the current level of fishing to be not excessive, given the present state of the scallop stocks. The right hon. Gentleman said that nobody is doing such fishing in the area. I find it most odd that no Northern Ireland boats are fishing there. There are always odd things about Northern Ireland and, indeed, marvellous things about Northern Ireland. However, I will leave the matter there, and undoubtedly I shall be further enlightened tonight or at some future date in private conversation. The position is

[Dr. Boyson]

kept under constant review. The beds will be closed to fishing, if necessary, to prevent the overfishing of the scallops. I know that the right hon. Members for South Down and for Strangford will keep me and my noble Friend informed about the fisheries at Kilkeel and Portavogie.

I realise that this is an important matter——

Mr. Randall: I am grateful to the Minister for giving way a second time. I listened with interest to the points that he made about the scallop fishermen. I have an interest as I represent Kingston upon Hull, West and I have 155 constituents who rely upon that industry. I was wondering whether the Minister would tell us what effect the accession of Spain will have upon scallop fishing in Northern Ireland.

Dr. Boyson: One can sometimes go off hon. Members, when one gives way.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): Answer the question.

Dr. Boyson: Of course, I shall now reply in ministerial fashion as you would expect, Mr. Speaker. The hon. Gentleman has asked a most important question. It is so important that we are still considering it, and I trust that by tomorrow I shall be able to answer him. I know that the hon. Gentleman will keenly await the note that I shall send him, which will be an illumination for me. I am delighted that he asked the question, so that I can add further to my knowledge of the fishing industry and life in Northern Ireland.

We are aware that scallop and prawn fishing is vital to Northern Ireland. It has provided a livelihood for people for over 100 years. There has been natural conservation. We are in negotiation with the EC, in particular now that two other countries are to become members, to maintain the safeguards to ensure that the fisheries are not destroyed and that people's livelihoods will continue. The industry is a benefit to the Northern Ireland tourist industry. The prawns and nephrops add to the attractions of Northern Ireland. I am surprised that during the last debate, about free tickets or something in Birmingham, no mention was made that Northern Ireland is the best place to go from Birmingham.

Roads Programme

9.27 pm

Mr. Patrick Nicholls (Teignbridge): I am grateful for the opportunity to speak about the roads programme, although many other subjects might be more popular. High rhetoric and declaratory speeches about road transport and motorways do not trip neatly off the tongue.

An inferior road system has an effect on local communities and on the quality of people's lives. To make my central point, I do not need to discuss the Government's road programme at length. The importance that the Government attach to the subject has been clearly shown in the White Papers that they have published, in particular that of 1983. In that White Paper, the Government set out their national and local priorities. There is no doubt that the Government know what they are doing. If one considers the progress that has been made since 1979, the details given in the White Paper on Government expenditure and in my hon. Friend the Minister of State's announcement as recently as 25 June about 51 further projects at a cost of about £300 million, one begins to see that those priorities are being fulfilled. However, when one studies those matters, I believe that one finds that one ingredient has not received the degree of prominence that it merits.

In 1977, the present Secretary of State for Social Services produced what might be described as a seminal document setting out the attitude that a Conservative Administration would take to transport. The paper stressed that a Government implementing such a programme should seek to ensure that decisions were taken by and for the users rather than the providers of transport. In matters concerning local communities it is vital to ensure that local people's views are properly taken into account. That problem certainly arises in the context of planning legislation, and I have raised it in the House more than once.

The procedures adopted must pay more than lip service to local people's views and ensure that local opinion has a real effect on the policy adopted. When one considers the way in which road traffic policy is implemented at the local level it is clear that, despite our rhetoric before we came to power, local communities do not always feel that they have the input that they want.

The specific problem that I have in mind concerns the road traffic system in Newton Abbot, a substantial market town in my constituency. Devon is the third largest shire in England, with more than 8,200 miles of road—more than twice the total for any other county. There is no doubt that Devon and the west country generally have seen substantial improvements in terms of major capital projects. For instance, there has been the dualling of the Plymouth-Exeter road. There is now dual carriageway virtually from the end of the motorway to the Tamar bridge. In terms of major projects, the west country has benefited greatly and it was well entitled to do so.

Improving motorways and dual carriageways, however, may simply move the bottleneck further down the track. It thus becomes even more important to ensure that the traffic is dealt with properly when it leaves those main arterial highways and comes into market towns.

It would be all too easy for me to say that those responsible for planning the traffic system in Newton Abbot do not know what they are doing. I could make a

splendid speech. The Gallery would become packed and reporters would be hanging on my every word. I do not go so far as that, but there is no doubt that the people of Newton Abbot feel that the needs of their town are not properly reflected in the traffic system provided for them.

These days everything has become a speciality. Even politics, which in our British tradition should be the province of the true amateur, has become professional. Traffic management, too, has become a speciality. There is certainly a feeling among my constituents, especially those living in Newton Abbot, that the specialists have designed a traffic system which is all very well for them but which simply does not work.

A specific example is the Penn Inn roundabout where priorities were altered in such a way that traffic ariving at the roundabout found that it had precedence over traffic already on the roundabout. By any stretch of the imagination, it was an extraordinary decision. Public protest was such that eventually the highway authority, to its credit, while not actually admitting that it was wrong, did the next best thing and changed back to the old system.

The system in Newton Abbot has not been completed yet, and those of us who are optimists are wondering whether, when the t's are crossed and the i's are dotted, the system will work. For the time being, the local people are faced with a system of one-way streets and mini-roundabouts, by which the authorities seek to control traffic. A person trying to get through Newton Abbot in a hurry on a weekday had better take a deep breath, because it takes some time to do so. On one occasion—this was not during the high season or at a particularly busy time of day—it took me 20 minutes to get across the Penn Inn roundabout.

Clearly, if local people are asked to design a traffic system, they will have many ideas. The fact that they may not be able to achieve a consensus does not detract from the basic proposition that, at times, traffic in this market town is being brought to a standstill and the common-sense views of local people on what should be done are not being properly reflected.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): I have the advantage of knowing the hon. Gentleman's constituency extremely well, having lived there for many years. I am following his argument carefully. What exactly is his point? Is he suggesting that the previous Conservative-controlled county council, which presumably channelled the views of the inhabitants to the traffic planners, failed in its duty? Is he suggesting that that is why those Conservative councillors were deposed in the shire county elections?

Mr. Nicholls: The hon: Lady makes a particular political point. If she casts her mind back, she will recall that her stay in the west country was brief as, having succeeded in being re-elected in one parliamentary election, she was promptly deposed at another. I do not think that her reflections on how we act in the west country are especially helpful.

I come to the point that I would have made if the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) had been able to contain her exuberance. One cannot be certain whether the traffic planners in a town such as Newton Abbot have got it right. The present structure makes it impossible for local people to ensure that their views are taken into account. A planning analogy is the best analogy that I can offer the hon. Lady. What happens if the local community does not have the right to appeal once a planning application has been granted? It is too simplistic to say, "That means that it must be the fault of the local councillors." Of course it is not necessarily their fault. Whatever their political persuasion, local councillors properly give a great deal of weight to the advice that they receive from professional officers. The planners in Newton Abbot may be getting it right, but their views cannot be put to the test. Those living in areas where the traffic does not flow freely face considerable hardship. Their hardship may be exaggerated, but one must emphasise the stress faced by the travelling public in using a complex traffic system that is not working properly.

We can note the Government's priorities and the spending on major projects and can compare the record of this Administration with that of their predecessor. This Government are getting it right.

In the end, one must come down to local level and ask oneself: "Can we be sure that there is proper control, so that those who are responsible for road planning are providing transport systems that are there for the benefit of the people, dictated by the people and created in the light of their experience, or is it a case of transport systems being thrust upon them from on high?" That is the point that I wished to make to my hon. Friend.

9.40 pm

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): I listened with great care to the hon. Member for Teignbridge (Mr. Nicholls), because I lived for many years in his constituency. Not only were two of my children born in Devon, but I lived in the hospital at Newton Abbot. The information that he gave to the House earlier was completely inaccurate. I know the area extremely well.

I am not sure what the object of the hon. Gentleman's speech was. The amount of money spent by the Government on roads is markedly different from the amount that they have spent in other areas of transport. For example, the Government said that, this year, their priority would be to move increasingly towards the provision of bypasses. They would be welcome in Devon and Cornwall, as well as in Cheshire. It is unfortunate that the Government's sense of priority has meant that our motorways are becoming subject to a series of major reorganisations and resurfacing programmes at this time of the year. It would have been better if the Government had been prepared to undertake a sensibly spaced programme of road renewal at the same time as a programme of new major roads.

I do not argue with the hon. Gentleman's statement that the Government have spent much money on roads. However, they have not organised the programme correctly. Indeed, we may have considerable difficulty, not just this year but in the future, in getting a properly planned and organised road programme.

My objection to the Government's plans is different. At a time when the British Rail workshops at Swindon will be closed, with the loss of about 2,800 jobs, Government money is being spent not on providing new manufacturing and new work in the workshops but on a road programme that is still not properly organised or planned.

The Minister of State's efforts this week have shown some of the difficulties involved. She drove up the M1 to show that there would be some difficulties, but said that

[Mrs. Gwyneth Dunwoody]

her planning had ensured that the difficulties would be absorbed by the travelling public. There would have been more admiration for the Department's planning had it provided some evidence over a longer period that the Government have balanced our need for a motorways renewal programme and the needs of our urban communities.

The major roads in my area desperately need updating. There are many problems on the roads between Shropshire —especially the constituency represented by the Leader of the House—my constituency and north Staffordshire, because the roads programme, as it is presently envisaged, will not allow us to spend enough money on updating A-class roads to take the ever-increasing freight traffic. The provision of motorways in the area precludes that. It shows the difficulty of planning in advance for increasing freight traffic.

The hon. Gentleman said that he is worried by the fact that traffic management is becoming too professional. His slightly derogatory tone when he said that reflects the attitude of the Secretary of State for Transport who, during the passage of the Transport Bill, showed only too clearly that he regards anyone who has a qualification in traffic planning as having slightly doubtful judgment and as being an unacceptable adviser in the planning of a transport system. That is stupid and reprehensible. For modern traffic management it is important to have the input of those who understand how traffic flows effect the areas through which they pass.

The hon. Gentleman fears that the problem is being dealt with, not by local councillors but by others—an abstract set of advisers hidden away far from his constituency who take decisions over which he has no sway.

One of the problems in Devon is that for many years one political party has believed that it is firmly in the saddle. Its reponse to his constituents is often conditioned, not by the needs of the area but by the way in which that party envisages its political advantage. There might be problems in the Newton Abbot area. I suspect that they are not unconnected with the complexion of the political party which has been in control for many years. It was in control when I arrived in the county and has only just relinquished that control at county council level.

The time has come for the Government to accept that roads must be part of an integrated transport system. Their relationship with the movement of passengers must be calculated, not only on the basis of the numbers of heavy lorries or of road trains, but on the basis of how they can best be integrated with the rail system the aeroplane system and overall transport planning for the future. Britain can no longer afford simply to think in terms of a road system without recognising the Government's responsibility for planning their commitment to transport spending over a wider area.

Unfortunately, an effective and vocal roads lobby has emerged. It has advocated changing basic and important forms of transport. The Secretary of State for Transport is straightforward and honest and has made it clear that the only kind of transport planning that makes sense to him is to remove the bus system that operates for the benefit of its passengers and to replace it with a system of anarchy under which any sharp pirate who can make a penny out of the system will be allowed to benefit. The Secretary of State believes that the train and inland domestic airways systems should be regarded less favourably in terms of planning than the motorway system.

The Minister of State is not only highly intelligent but committed to intelligent road planning. At long last this year she has succeeded in achieving some acceptance in her Department of the fact that many communities want roads developed which are useful to them. People want more bypasses and more A roads. They want the motorway system to be updated so that it does not constitute a hazard to the environment.

Only the other day I was told by a member of the police force in my constituency that, apart from the speed at which vehicles travel, the hazard caused by the closeness and the number of vehicles on the M1 and M6 is the equivalent of that caused by road trains and major freight movement. That cannot be the only efficient way to transport goods. No proper planning has been done. Public transport should comprise a wider and more intelligently grouped system of services. I hope that the hon. Gentleman will consider seriously what he has said and will not seek to give the House the impression that transport planners are some obscure and removed breed of men and women who have no understanding or appreciation of the needs of local communities. The Secretary of State for Transport neither understands nor accepts the role of transport planners. In fact, these planners have made their life's work the extension of the interests and needs of local communities so as to integrate them with the national interest.

Mr. Nicholls: Surely the hon. Lady must realise that she is trying to have her cake and eat it. She is suggesting that all the transport sins of the world have been caused by the fact that in the past Devon county council was Conservative controlled. Secondly, she suggests that I am being unkind to traffic managers. Does she not realise, even from her brief acquaintance with my constituency, that the road patterns in the area have been devised at the behest of professional traffic managers? I said clearly—I am surprised that the hon. Lady was not able to grasp the argument — that it is too easy to criticise traffic planners. I said as clearly as I could that there should be another input. The expertise of the user should be taken into account as well as that of the professionals.

Mrs. Dunwoody: The hon. Gentleman has confirmed the argument that I was advancing. He seems to believe that transport planners operate in a vacuum. If he has not noticed that local councillors are consulted, that county councillors are consulted and that many people throughout the region are consulted, he has confirmed my view of the Conservative party. It is clear that it is so disinterested in the views of others that it does not take account of the occasions when it takes decisions which should be based on the informed views of transport planners. If the decisions on traffic planning in Devon have been taken entirely by council officers until this stage, I am not surprised that a different set of people is in charge of the county hall.

I am interested that the hon. Gentleman feels that 15 years is a short acquaintance with his constituency. If we take account of some of the recent political results, he might consider that if he is not careful my acquaintance with his constituency may turn out to be rather longer than his own. However, I would not want to be unkind.

In one sense the views of the Secretary of State for Transport are unique. They bear a strong resemblance to the views that prevailed in 1802—I do not suppose that there was a Secretary of State for Transport in those days —on the part of the member of the Cabinet who was responsible for deciding how many ruts, for example, a stagecoach should have to deal with in travelling from one inn to another. I am sure that the views of that Minister were similar to those of the Secretary of State.

The Government are prepared to spend a great deal of money on roads, but their spending has been directed almost exclusively at motorways. I note that the Minister of State shakes her head in dissent, but motorways have, almost exclusively, been the Government's spending target. Very rarely has Government spending been spread across our road transport system in such a way that local communities have benefited by the building of bypasses, for example. I am glad to note that the hon. Lady's common sense is now reasserting itself. This year there has been the announcement of a change in planning for the coming years. I hope that she will be able to carry out that programme for the remaining two or perhaps two and a half years in which she and her colleagues occupy the Department of Transport. It is probably the team of Ministers whose policies will be least in need of total change when the time comes for the Government to leave office.

I ask the Minister of State to explain to the hon. Member for Teignbridge that transport planning must be based on informed and expert advice. There is nothing wrong with being a transport expert. I know that such experts upset the Secretary of State, but their expertise is useful and should be valued. The fact that the advice of the planners is frequently disregarded in the present climate is no criticism of the experts. Instead, it is a plain and open criticism of Ministers and their way of running the Department.

9.55 pm

Mr. Stuart Randall (Kingston upon Hull, West): As a Devonian, I would like briefly to contribute to the debate. I listened with great interest to the hon. Member for Teignbridge (Mr. Nicholls), who did an admirable job representing the interests of his constituents. However, there were a few paradoxes in some of his points. He talked about ensuring that the views of local people were taken into account in any decisions on bypasses or other works. I entirely agree with that. There should be full consultation so that people can ensure that they have the road systems that they want, that there is free flow of traffic and that the environmental aspects are acceptable.

My hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody) also touched on the question of bypasses. The matter is raised often because of the environmental consequences. Many people do not want large lorries rushing through their towns. Being a Devonian, coming originally from Plymouth, I know the Newton Abbot area fairly well.

The hon. Gentleman mentioned traffic management, but that is only one aspect of the skills necessary to ensure that we have the right traffic system. He said that the system in Newton Abbot does not work. However, the other aspect is traffic engineering, which involves the expenditure of money to ensure that there is the right kind of traffic furniture, that roads are dug up, that cables are laid, together with all the other expensive activities associated with ensuring that an area has the right traffic system.

The hon. Gentleman said that the system in Newton Abbot did not work because people in a hurry could not get where they wanted to go. The hon. Gentleman can speak more effectively for the people in his area than I can —indeed, I would not dare to speak for them. But people want consistency of journey time. If people rushing to get to the station know that it will take half an hour, they will allow half an hour. If they hit a bottleneck during the rush hour, that means inconsistency in travel time. People in rural areas are happy to spend a longer time getting to a particular place because they want a good environment. They do not like inconsistency.

The question of bypasses is important. The Minister, from a sedentary position, suggested that a great deal of money is being spent on bypasses. We all know that the bypass programme has suffered considerable delays because of the Government's desire to continue with the motorway programme. They are putting in the large links and ensuring that there is the right motorway infrastructure. We understand that objective. However, the people in the rural areas—and the hon. Gentleman is from a rural area—want bypasses.

Mr. Nicholls: The hon. Gentleman proclaims himself to be a Devonian. As a fellow Devonian, I must tell him that, for the third time, he has completely mispronounced my constituency. If he is saying that there should be a bypass in Teignbridge, perhaps he would help the House by telling us what place he wants bypassed.

Mr. Randall: I am grateful to the hon. Gentleman, but I do not know when this new constituency came into being. I am probably a few years older than the hon. Gentleman, I was born in that part of the country and I am prepared to have a competition on Devonian pronunciation, but that would probably be out of order.

The hon. Gentleman made it clear that he is dissatisified with the road systems in his area, but traffic engineering involves money. Many towns run campaigns — I see them in the Cotswolds—

It being Ten o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Motion made, and Question proposed, That this House do now adjourn—[*Mr. Lennox-Boyd.*]

Mr. Randall: When I travel through the Cotswolds on my way to Westminster each week, I see little notices asking when villages will have a bypass. The Government's rate-capping policy has had a devastating effect on road building programmes. If the hon. Gentleman is unhappy about roads in his area, he should put some pressure on the Treasury and ensure that investment in the road building programme and in traffic engineering and traffic management systems is not restricted.

The Labour party can now claim to be Britain's Green party as well as that which cares for the development of industry. People in rural areas can come to us and be sure that we shall push their case for bypasses and improved road systems.

10.1 pm

The Minister of State, Department of Transport (Mrs. Lynda Chalker): I am grateful to my hon. Friend

[Mrs. Chalker]

the Member for Teignbridge (Mr. Nicholls) for raising this subject. I hope that I shall be able to put to rest some of the fears about what is obviously a Devon county council road safety programme, as my hon. Friend mentioned mini-roundabouts.

I am shocked at the lack of knowledge which, in a more crowded Chamber, would have been a further embarrassment to the Leader of the Opposition, that the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) has displayed. She has not caught up with what has been going on. I hope that my hon. Friend will forgive me if, as well as replying to his debate, I put the hon. Lady on the right road.

Mrs. Dunwoody: How kind.

Mrs. Chalker: I would not want the hon. Lady to be under the illusion from which she is obviously suffering on this subject, in addition to all of her other illusions about transport. I shall not trade in political insults with her, but it would be wrong to let her comments go without correction.

We should all love consistency of journey time, but that matter does not necessarily rest in the hands of transport planners. Transport planning, no matter how good or bad, does not alter the consequences of drivers travelling too close together and having a bump. The real problem about journey time is the behaviour of motorists rather than road engineering.

During the past five years there has been a major effort to involve local people early in the planning of roads. That is especially true of the Department's schemes on main roads. The process is lengthy for bypasses, main roads and special junctions. Quite frequently, the whole route goes out for consultation, as happened with the A41 in Chester. We try to measure local views.

All of that occurs before the scheme is worked up into public orders which are then published for the preferred route. It is at that stage on most of the schemes that we have an opportunity to learn from local people.

The instance my hon. Friend cited tonight about mini-roundabouts in Newton Abbot is not one with which I am familiar because it is not a departmental scheme. I can assure him, however, that I will find out what is going on in Newton Abbot. I have seen a number of other road safety improvement schemes which have deployed mini-round-abouts and in the initial stages they have not always been easy to accept. This is because some other part of the planning which may have worked — and here I agree with every word he said—on the drawing board had not taken the fullest account of the well-imbued habits of the local population in taking short cuts and all the other moves they were accustomed to making in the town.

We have had a number of such instances where for very good reasons, particularly where accident black spots have occurred, mini-roundabouts have been very successful in reducing the number of accidents, particularly those which were simply car bashes and non-injury accidents. That is one of the reasons why we have sought, in the right places, to extend the use of mini-roundabouts. But if it is not working in an area, I hope that the county council will do exactly what the Department has done. If it finds, with a local community, that the scheme is over-stressed in terms of new traffic management, there could be meetings with the local population such as I have had in Reading and other areas round the country, to amend the scheme.

Patterns change in road traffic management as new roads are opened and as habits change, and the council should always be amenable to advice and discussion with the local community. I hope that will happen in Newton Abbot.

The schemes that operate in an area such as Newton Abbot, or anywhere else for that matter, sometimes involve a change of priorities. From time to time one can be critical of the insufficient signing of such a change, because people often drive their cars by instinct and habit, and if one does not strongly impress upon them a changed system of priorities one gets the sort of problems my hon. Friend has rightly described. That would not enhance road safety but might well add to the number of non-injury accidents.

I understand what my hon. Friend was saying about an incomplete system in Newton Abbot. It is right that, wherever possible, we should consult local people and local shopping communities as well as pedestrians and motorists. In most of those schemes that is the responsibility of the local authority, the highway authority, and not my Department.

The House and, indeed, the Government have been watching very carefully what has been going on in recent years in the national road programme. It has been my job for the last three or more years to try to sort out the transport policies and programmes submitted by the highway authorities to determine how much we could give them to assist with their chosen priorities, whether they were bypasses or other road improvements. As well as getting the local programme moving, we have for the whole period—I can vouch for this since I became a Minister at the Department in 1982—given attention to the three aspects of the road programme.

In our 1981 document, in the 1983 road review, the road White Paper and in the 1985 "National Roads England" report, our priority has always been to relieve residential areas, and those that do not need to take heavy traffic, by a full bypass programme. This is not a sudden conversion, as the hon. Member for Crewe and Nantwich suggested, and she needs to indulge in a little more reading——

Mrs. Dunwoody: Come, come.

Mrs. Chalker: It is all very well to say "Come, come", but the hon. Lady plainly does not know what she is talking about. Her comments on the bypass programme, motorways and roads renewal were all jumbled up together, and she plainly did not take account of the fact that in 1974 and 1975 the Labour Government completely slowed down renewal on the motorways, and in 1976 stopped it altogether. Yet since 1979, when this Government came to power, expenditure on roads had been extended by more than 30 per cent. in real terms. That is what the hon. Lady gets wrong when she says that we have not programmed the renewal. She talked about fitting it into the overall infrastructure, but in 1984 and 1985 we sought to balance that by agreeing to every capital investment scheme brought to us by British Rail.

Mrs. Dunwoody *rose*——

Mrs. Chalker: The hon. Lady has had her whack, and I wish to put her right. She also said that insufficient had

been spent on renewal, but of more than £3·8 billion, £1 billion was spent on renewal. Even adjusted for inflation, that is far more than her Government ever spent. The remaining £2·8 billion has been spent on new construction in the last five or six years. To have completed 171 major schemes and added nearly 500 miles to the national network in response to the increasing, and still increasing, demand for personal road transport has been a feat on which my engineers and staff in the Department of Transport are to be congratulated. There are now more schemes in the programme that are capable of being carried through.

That programme will give the communities their bypasses and will build the roads that will lead to new industrial areas, which will result in economic regeneration. Over the next 10 years, the programme could total some £4 billion. If the hon. Lady is concerned about spending, I suggest that she takes a while to read this report, which details what is happening overall and what is happening scheme by scheme throughout the country.

When she intervened, I thought that she would plead the case of the A52 Barthomley link. That is a scheme that she has been very interested in, but I should like to have seen a little more energy expended by certain other people, because the fact that it is moving along is due to——

Mrs. Dunwoody *rose——*

Mrs. Chalker: I will give way to the hon. Lady in a minute.

It is because we have pushed hard for that linkage from the M6 across to the hon. Lady's area that this has happened. I know, and she knows, that it was partly because of land difficulties, but that should tell her something. It is not enough to say, "We need a road between two places" and not to observe the great difficulty that can sometimes arise in assembling the land between one place and another before a scheme starts. That is the reason for the length of the programme and the time it takes. We now have a full preparation pool which is a reality, which is being worked upon and which we did not inherit in 1979.

Mrs. Dunwoody: I pay tribute to the hon. Lady's energy in pushing the Barthomley link against opposition from the local Conservative county councillors and one or two other people who were determined that we should not have this needy means of conveying goods from my constituency to the M6. But I refute absolutely any suggestion of lack of energy by any of the Labour councillors on Crewe and Nantwich borough council. If she is referring to the Duchy of Lancaster and her colleagues in the Government who have spent over six months talking about this without any obvious attempt to push it forward, I concur with that point of view. The Labour councillors and the Labour representatives on the county council were most anxious to proceed with it. It is unfortunate that others of a different political persuasion did their best to delay it.

Mrs. Chalker: The hon. Lady will make any point that she can latch upon in place of facts. It was on the regional annual consultative committee for the north-west, where the county councils from different areas were gathered together in 1982, that this issue was, first raised, not by Labour councillors but by Conservative councillors. We wanted to get on with it. It depended also on the Cheshire county council. While any chairman of highways will bring to my notice schemes that he wants to pursue, I can honestly say that most of the representations I have received in recent years have been from people of my party and of no party. They certainly have not come solely from the hon. Lady or from her party.

Whereas in 1982 we found that local authorities were traditionally underspending on their road programme, we have achieved, in the interest of people who need bypasses and new industrial links something which I did not believe was possible. In 1983-84, the outturn on the road programme was within 1 per cent. of the budget. I was very pleased but quite surprised. However, in 1984-85, we managed to spend to within 0·5 per cent. of the increased budget. Every scheme that is brought forward goes through the statutory processes. This frequently takes far longer than is at first envisaged, because people must have their say and objectors must be freely heard at a public inquiry through an independent inspector. Occasionally it has not been easy to ensure that available resources have been properly programmed and managed.

Those two figures refute the comment of the hon. Lady that the programme was not properly organised and managed. It is exceptional for any Government Department to stay so close to its budget. Another thing that makes me proud to be a Minister in the Department of Transport is that the increased investment which the Government have been able to allocate to road infrastructure and other aspects has been matched by an ever-improving performance from the construction industry. Competitive tendering and improved productivity, plus more effective programme management, have meant that not only have we secured better value for money but we have got a better deal for the taxpayer and the road user. Because the road programme is well developed to a total provision in 1985-86 of £824 million, with schemes ready and waiting to be brought in should any currently expected to start this year fall behind because of statutory procedures or for any other reason, we are doing exactly what is expected by spending £600 million on new construction, which is 5 per cent. in cash terms more than last year. Added to that is £224 million for reconstruction.

Road repairs affect motorists all over the country. The hon. Lady complained about resurfacing being done at this time of year. It was sad to hear the main Labour spokesman on transport show that she does not understand the optimum combination of times at which to do roadworks. It is important to have high night ambient temperatures to allow the materials used to set in the best way. It is necessary to utilise the long daylight hours to the best advantage. It is also necessary to do the work at a time when there may be less rain. That is why we do not proceed with schemes that are time-conscious in June, but leave them until July, when we seek to get them done before the holiday season starts.

The whole programme, whether of renewal of motorways, where we are beginning to catch up with the road renewal that was not done in the 1970s, or of new onstruction, whereby we shall add 100 miles of new road to the national network, of which 65 miles will be trunk road and only 35 miles motorway, mainly the M25, is, by any account, the right way to proceed with our ever car-conscious nation.

One cannot turn one's face against what the people want by way of new roads.

Mrs. Dunwoody: When are the Government going to start?

Mrs. Chalker: That is why we have 295 schemes in preparation. Whatever the hon. Lady may mutter, if we give better value for money and get more work done for the same budget I can only be pleased with the hard work put into the roads programme by the whole Department.

My hon. Friend the Member for Teignbridge referred to the objectives of the policy. Our objectives have always been to serve the provision of roads in three ways. All hon. Members who have spoken have mentioned bypasses. A bypass removes traffic, especially lorries, from places where it has no business, improves the safety of roads and provides industry with more efficient communication. Those are the three objectives of the work.

We are keen to serve industrial needs but also to serve the nation with great sensitivity for the environment by making sure that people have the roads they need. In carrying out those aims we have reached a rate of return of about 11 per cent. on average. That is a highly profitable return for any construction industry.

We are doing well on volume, too. That is one of the better aspects of the improvement that we have managed to carry out over the last five years. I am not complacent. I do not think the programme is yet good enough. We can do more and we can do better.

If we are to provide the national road links for which the Department is responsible, I expect local authorities to abide by the codes of practice and the guidance that the Department has been developing with them. By that means we shall put right the problems at local level to which my hon. Friend the Member for Teignbridge referred. Those problems are not always understood by engineers who live a long way away. I cannot comment in detail upon the Devon county council scheme, but I shall find out about it and will write to my hon. Friend.

We can be proud of the improvement in the codes of practice. We announced three weeks ago six road schemes in the south-west. Consequently my hon. Friend's concern will be brought to our attention and also to the attention of the county council. As the highways authority, the county council plays a major role. It discusses its priorities with the Department and their links into the national road network.

I hope that I have explained to the satisfaction of my hon. Friend that the Department is fully aware of the "brother" programmes of the county councils. I hope, too, that the hon. Member for Crewe and Nantwich has learnt tonight just a little about the roads programme. I recommend that she should read "National Roads England 1985". By the time she has finished reading it, she might find that she enjoyed it.

Question put and agreed to.

Adjourned accordingly at twenty-six minutes past Ten o'clock.

House of Commons

Friday 5 July 1985

The House met at half-past Nine o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Orders of the Day

Copyright (Computer Software) Amendment Bill

Lords amendments considered.

Lords amendment: No. 1, after clause 1, insert the following new clause:

" . References in the Copyright Act 1956 to the reduction of any work to a material form, or to the reproduction of any work in a material form, shall include references to the storage of that work in a computer."

9.35 am

Mr. William Powell (Corby): I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Speaker: With this it will be convenient to take Lords amendment No. 2.

Mr. Powell: Perhaps it would not be inappropiate on this final day of consideration of private Members' legislation during this Session to say that it is an extraordinary and fascinating steeplechase which enables hon. Members who have won the ballot in November to emerge in July with a piece of legislation which, all being well, will be for the public good and which has achieved the support of both Houses. In bringing my Bill to this stage, I have been greatly assisted in the other place by my noble and learned Friend the Minister of State who efficiently and expeditiously handled the conduct of the Bill.

Discerning hon. Members will notice that these amendments bear a striking resemblance to those which were on the Order Paper in February. For tactical reasons, they were not dealt with on the Floor of the House or in Committee. I am grateful for the assistance that I have received from all parts of the House which enabled the Bill to jump the queue and get out of the way of some controversial private Members' legislation, and for the amendments that at one stage were contemplated being dealt with in this House to be dealt with in another place. In other words, today we are dealing with matters contemplated for this House, but which for tactical reasons were postponed to the other place.

The amendments are straightforward, especially the first one. Even if I tried, I could not take up much time speaking to it. There was a spelling error in the long title of the Bill when it passed its Second Reading on 22 February, which relates to the word "programme". Many hon. Members are rightly proud of traditional English spelling, and the original spelling of the word "programme" was in the English form. The other place has passed an amendment to change the spelling to the American form—without the second "m" and the final "e". Although many hon. Members may be reluctant to accept the amendment, there is a good reason in law why I ask the House to approve the amendment, which is that the American spelling, not only conforms with international usage, but is approved in our courts. If the House passed a Bill which conformed with traditional English spelling, there is a real risk that a clever lawyer —through my professional background, I know many such lawyers—will say that the Bill does not apply to computer software programs because the Bill does not talk about such programs.

I ask the House to agree to the first amendment because the courts have approved the American spelling in this connection.

Mr. Tony Marlow (Northampton, North): I hear and understand the point that my hon. Friend is making. Like me, my hon. Friend is an absolute patriot and is devoted to the English language, its poetry, its quaintness and everything else. I understand my hon. Friend's concern, but with his knowledge of the courts and of legal procedure surely he will accept that we should have the English spelling. It is the English language, and this is England. This is the House of Commons of the British people, and it would seem appropriate to pass laws in which we enshrine our language rather than someone else's abuse of our language. Surely my hon. Friend would feel that, were we to go ahead as he initially intended, the courts are not an ass and would eventually settle down and understand that Parliament intended that the English language should be used in its full glory and should not be abused.

Mr. Powell: The protest registered by my hon. Friend is entirely appropriate, but I hope that he will be content with speaking for the instincts of most hon. Members present today and will not pursue the matter. I assure him that I have accepted the amendment only because I know that the spelling introduced by their Lordships is the correct spelling in law. I would not wish the Bill to run into technical difficulties. I ask my hon. Friend not to pursue the matter, but to be content with that robust and patriotic protest.

Try as I may, I would be hard put to outline usefully any further reasons for accepting the amendment, and I shall leave it there.

The other amendment relates to a more substantial matter. The House will recall that it was first raised in the House nearly a year ago by my hon. and learned Friend the Member for Mid-Bedfordshire (Mr. Lyell) in a Bill that he introduced under the ten-minute rule. He was given leave to introduce the Bill, but it did not proceed to a Second Reading. When I had the good fortune to draw a place in the ballot for private Members' legislation, I decided to take up his Bill.

The Bill which I introduced and which was given a Second Reading on 22 February differed from my hon. and learned Friend's Bill in one important way. His Bill included a definition of the concept of "material form" in relation to computer programs. However, my Bill contained no such definition. Their Lordships decided to introduce what will in due course, assuming that the House approves the amendment, be section 2 of the statute.

The expression "material form" is a key concept in copyright law. It was used in the Copyright Act 1956 to

[Mr. Powell]

define the acts restricted by copyright, which includes reproducing the work in any material form. That is found in section 2(5) of the Act. It is also used in section 49(4) to fix the time at which a copyright work is made and, therefore, to identify the author. It is defined as the time at which a work is first reduced to writing or to some other material form. However, the expression "material form" is not defined in the Copyright Act as it currently stands.

9.45 am

A potential problem arises where a computer program does not start its life in conventional written form. The difficulty is important in commercial terms, because computer programs are often keyed directly into a computer by typing in from a keyboard without first being written down in a conventional form. Therefore, the electrical signals formed in the computer's memory are, in practice, the program's first physical embodiment. Similarly, copying is often carried out by loading the contents of a disc, cassette or other permanent storage device directly into the computer's memory for further processing. However, a special characteristic of the electronic memory of most computers is that it is volatile in the sense that the memory is lost when the power supply is turned off.

It has been suggested that the electronic representation of a computer program such as that formed in the computer's memory or that displayed on a VDU screen is not sufficiently permanent to be a material form for the purposes of fixing the time at which the copyright work is made, or of establishing the existence of an infringing copyright.

I shall give the House some examples of the problems envisaged if uncertainty remained as to whether forms in which computer software may be stored or reproduced are not covered by the phrase "material form". First, a programmer creating a program without first writing it down might go out to lunch; a pirate might then come in and print out the program from the computer's memory. If electronic representation in the computer's memory is not a material form, the pirate would be the author for copyright purposes. Secondly, a program entered directly into a computer's memory that was not written down on paper or recorded on tape or disc might be transmitted through a computer network. If it is intercepted by a pirate who prints it out, the pirate might be treated as the original author for the purposes of copyright. Thirdly, an infringer might put a computer program on his own random access computer memory rather than copy it on to a disc or tape and, as a result, may not infringe the copyright.

The ten-minute Bill introduced by my hon. and learned Friend included a definition of "material form". Unfortunately, when I was preparing this legislation, the view of parliamentary counsel was that it would be impossible to include such a definition that was limited to computer programs without at the same time implying something negative in relation to other copyright work. Therefore, the matter became the subject of substantial negotiations between myself, the computer software industry, which has given me generous support in the preparation and passage of the Bill, and my hon. Friend the Under-Secretary of State for Trade and Industry. I am delighted that both sides have reached an accommodation and that it is now possible to incorporate a definition of "material form" into what will become section 2. It will be:

> "References in the Copyright Act 1956 to the reduction of any work to a material form, or to the reproduction of any work in a material form, shall include references to the storage of that work in a computer."

The amendment was introduced in Committee in the other place on 5 June.

This is a somewhat technical explanation, but it is important to get it on record why it is necessary because it is not a matter that the House has had to discuss until now. We are now in line with the Green Paper recommendation and the Bill confirms that the act of loading a computer program or any other literary, dramatic, musical or artistic work into a computer without the copyright owner's consent will continue to be an infringement of copyright. The amendment will also confirm that any work, be it a computer program, novel or any other type of work that is written directly into a computer, will qualify for copyright protection at the moment of its creation within the computer.

It follows that clause 2 is intended to clarify that if any existing work is copied into a computer, of which an important example is the incorporation of an author's work in a computer database, this constitutes reproduction in a material form, requiring the copyright owner's consent. I hope that that will be regarded as a comprehensive statement of why the House should accept my suggestion that we should agree with the Lord's amendment.

We have reached this stage on 5 July. How long ago the Second Reading in February seems to be. This is the first of the private Members' Bills to be discussed today. There will be others later. I heard on the radio this morning my hon. Friend the Member for Hornchurch (Mr. Squire) being ambitious and optimistic about the prospects of his Bill, which will be discussed later. The House is interested in the matter that I am introducing, but I hope that it will be possible to reach my hon. Friend's Bill in due course.

Mr. Marlow: I apologise for leaving the Chamber for part of my hon. Friend's speech, but I had an important and urgent telephone call to make. I am sure that my hon. Friend knows that these things happen and understands and forgives my temporary regrettable absence.

I have looked at the amendment, and while I was out my hon. Friend may have covered the point I am about to make about it. He explained earlier that his first amendment was about mutilating the English word "programme" and turning it into the American word "program". However, I do not see the word "program" in the first amendment. Will my hon. Friend briefly explain something to the House—I regret it if he has done so already—to satisfy my curiosity and my concern about the Bill? If he has not done so already, I should be grateful if he would connect the words of the amendment with his reluctant desire to inflict an injustice on the English language.

Mr. Powell: My hon. Friend is right about the first amendment. It refers to new clause 1. I apologise to my hon. Friend and I am certain that most of the House was able to follow me in what I said, but in giving my reasons for the two amendments I identified as the first amendment amendment No. 2 and as the second amendment amendment No. 1. I hope that there is not the slightest doubt about what I have been referring to. Not for the first

time, I am extremely grateful to my hon. Friend for bringing me down to earth and ensuring that we proceed in both an accurate and a common-sense way.

The House knows that I regard this as a very important measure for the future of the computer software industry. On Second Reading, I said that estimates show that losses through unlawful piracy and copying of software in 1983 totalled £150 million. In 1984, the sum was almost certainly greater than that. There is not the slightest doubt that the computer software industry has been heavily undermined by the growing practice of commercial piracy. Pending wider reform on copyright law which will come in due course, and which we hope to have the opportunity to discuss in a year or two, this Bill deals with a particularly bad practice that is undermining the industry.

I and those who have supported me on both sides of the House have not gone to the lengths that we have gone to to pass ineffective legislation. The Bill is intended to bite, and to bite hard into piracy. The House is aware of the existence of the Federation Against Software Theft, which represents virtually all sections of the computer software industry. It has set up a unit whose job it will be to prepare evidence and to bring to the attention of the police and any other public body occasions on which there have been any commercial infringements of this legislation.

I am delighted to be able to tell the House that a senior, experienced and efficient police officer of the rank of chief superintendent of the metropolitan police has been recruited. He will shortly be at work with a team which he will recruit to bring together all the evidence of piracy. The message must go from the House today to the pirates wherever they may be that their days are over and that hereafter they will face the consequences of their unlawful activities.

Dr. Jeremy Bray (Motherwell, South): I congratulate the hon. Member for Corby (Mr. Powell) on his Bill. There is nothing further that I can say about the Bill or the Lords amendments, which I support for the adequate reasons argued in the other place. I wish the hon. Gentleman luck in future ballots, but I have one remark to make to him. When one is getting a fair wind in this place, it is better not to remain at sea for longer than is absolutely necessary to complete the journey, for fear of delaying colleagues with other equally important business who have been less fortunate in the ballot and for fear of running into less fair weather.

Mr. Marlow: I congratulate my hon. Friend the Member for Corby (Mr. Powell) not only on bringing the Bill to Parliament and through Parliament but on the way that he has spoken. I intervened in his speech, and for the first time in my life had a positive effect on our proceedings in that I was able to help my hon. Friend I am grateful to him for the way that he dealt with my intervention.

This is an incredibly complex issue and people like myself who were at school before computers became part of our way of life feel that anything to do with computers and computing is of the utmost complexity that is best left to other people. My hon. Friend has taken upon himself the task of introducing this Bill and the amendment. It is a difficult but praiseworthy task which he has done exceptionally well. The House and the country should be grateful to him for dealing with this nuisance. The fact that he got his amendments muddled up is nothing, and simply goes to show how incredibly complex this issue is. It is an appalling state of affairs that after a person has done a great deal of work——

Mr. Deputy Speaker (Mr. Ernest Armstrong): Order. While I am in a tolerant mood, I must remind the hon. Member that we are dealing with narrow amendments and that he must relate his remarks directly to the amendments.

10 am

Mr. Marlow: I am attempting to do that, Mr. Deputy Speaker, and I apologise if I am straining your patience; the complexity of the subject is to blame.

Amendment No. 2 deletes part of the title, so that it will read:

"An Act to amend the Copyright Act 1956 in its application to computer programs and computer storage."

My hon. Friend's purpose is so to define the title that protection which, sadly, has not been given to those working in computer software will be available to them in future. It is necessary for this protection to be provided in view of the great boom of computers to society. People may work all day and all night only to find that their work has been pirated or plagiarised. A lifetime's work can be rendered valueless.

Because it is important that that protection should be provided, so it is important that the title of the Bill should be clear, and I am pleased to note that not only will the title be clearer but that it will also be shorter. Anything that we can do to reduce the number of words in the written text — I was about to say that we might also try to shorten our speeches too—is of advantage.

I congratulate my hon. Friend. The House is indebted to him for the great service that he has performed in this complex and important sphere.

Mr. Neil Thorne (Ilford, South): I, too, have pleasure in congratulating my hon. Friend the Member for Corby (Mr. Powell) on having introduced an important Bill which, I feel sure, will be speeded on its way today. I have taken part in a number of debates on this subject and am anxious that nothing should stand in the way of the Bill's progress.

My hon. Friend explained, in reply to an intervention from my hon. Friend the Member for Northampton, North (Mr. Marlow), that he had dealt with the amendments in the reverse order. I am not clear, however, why amendment No. 2 is worded in the way in which it appears on the Order Paper. I appreciate that it amends the title, but although amendment No. 2 begins:

"Line 1, leave out from",

I thought that the Bill commenced with the words:

"Be it enacted by the Queen's most Excellent Majesty".

In fact, the line 1 to which my hon. Friend is referring in amendment No. 2 begins:

"An Act to amend the Copyright Act 1956"

which seems to begin before the numbering of lines in the Bill commences. I am anxious to ensure, before agreeing to amendment No. 2, that we are doing something that is valid and will not make nonsense of the measure. I am sure that my hon. Friend has taken the best advice from the Table. Will he enlighten me?

When my hon. Friend dealt with the spelling of the word "program", I was not sure whether he was saying that the High Court had determined that, in future in English

[Mr. Neil Thorne]

law, the word should be spelt the American way or whether the High Court had been tolerant about the way in which the word could be spelt.

Mr. William Powell: In a High Court case a year or two ago, the Chancery Division approved the American spelling for computer programs only, not generally.

Mr. Thorne: I hope that the High Court will accept both spellings and not confine it in this case. I can think of a number of instances where words are spelt in a variety of ways. One need only think of the greatest literary architect, Shakespeare, to appreciate that a number of different spellings of the same word are normally accepted.

It would be unfortunate if we tied ourselves down to one narrow concept, although I would not stand in way of the Bill over that. I hope that we shall not be confined as a result of a High Court judgment and find that we are restricting our language to the American form.

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. John Butcher): I join hon. Members on both sides of the House in congratulating my hon. Friend the Member for Corby (Mr. Powell) on steering his ship through the legislative waters, shortly to arrive at a safe haven.

As my hon. Friend explained, a large number of people in the computer industry at large, many computer users and software authors will heave a sigh of relief when the Bill reaches the statute book. It will be an important day because we shall eliminate the high possibility that has hitherto existed of software authors being rooked of their rightful rewards and of suffering from the attentions of the pirates.

The new clause adds an important new element to the Bill and, on behalf of the Government, I warmly support its insertion. I am pleased that the opportunity was taken in another place to improve what was already an excellent Bill by extending its effect in this way.

The Bill as it left this Chamber for another place some weeks ago was concerned only with the application of copyright law to computer programs. The new clause addresses, in an effective manner, another area of uncertainty that arises out of the interaction between copyright law and computers.

Despite its admirably concise form, the new clause removes two such uncertainties. It deals with two implications of the new technology on the way copyright law works. It is concerned both with the basic question of whether copyright protection is available to works created in computers, and with the no less important issue of whether the act of copying a copyright work into a computer requires the permission of the copyright owner.

It may help if I briefly remind the House how the Copyright Act 1956 is structured to provide protection to authors and other creators of original works, or to those who own or have interest in copyright by virtue, for example, of assignment or licence or of their position as employers of the creator. The Act defines copyright as the exclusive right to do, and to authorise others to do, certain acts—known as restricted acts—in relation to the work that is the subject of copyright. One has to look first, though, at the word "work" to determine whether copyright subsists in the first place.

The Act states that copyright shall subsist in every original literary, dramatic, musical or artistic work, subject to certain conditions as to matters such as the nationality and place of residence of the author and the country of first publication. This applies both to published and unpublished material. There are no formalities associated with the subsistence of copyright in the United Kingdom. Copyright protection exists from the moment of creation of the work, with no requirement of registration or of any copyright notice on the work itself. Right hon. and hon. Members will know that very commonly—indeed, almost universally in published material—a conventional copyright notice is affixed to works, consisting of a small "c" in a circle, the name of the copyright owner, and the year of publication. I should explain that such a notice does not have any function in establishing the subsistence of copyright in this country. It has two roles. First, it plays a part in relation to the subsistence of copyright in certain foreign countries, most notably the United States of America. Secondly, it provides a visible reminder to the world at large that copyright is being claimed in the work, and by whom it is claimed. Thus it has practical use in this country, but is not a legal prerequisite for copyright protection.

To return to the question of what constitutes a "work", or more strictly an "original work", the use of qualifications like "literary" or "artistic" does not imply that a work has to have what would conventionally be regarded as literary or artistic merit to attract copyright protection. Aesthetic excellence is not a necessary qualification.

The courts have long since established this principle, and there have over the years been many examples of works, and types of works, which have been afforded copyright protection as "literary works" without possessing, or indeed claiming to possess, any vestige of literary merit whatsoever. These have included calendars, directories, football coupons, mathematical tables and railway timetables, and many other equally mundane items. More recently, an injunction has been granted on the basis that the sequences of randomly selected letters used in newspaper bingo games are subject to copyright. The common key to the establishment of copyright in all these cases has been that substantial independent skill, creative labour or judgment has been exercised in the creation of the new work.

My reason for placing such emphasis on this point is to stress the wide range of material that comes within the ambit of copyright protection. When one thinks, for example, of databases — great stores of information brought together, often at great cost, and with great commercial potential for exploitation and dissemination —one can recognise the immense practical significance of the fact that copyright protection has long been regarded as appropriate to this general class of material, to collations of meaningful information. The impact of computer technology in this sector has been immense and revolutionary, and has raised central questions in relation to copyright that the new clause seeks to answer.

Dr. Bray: On a point of order, Mr. Deputy Speaker. I appreciate the support that the Government are giving the Bill, but is the Minister not going rather wide of the amendment?

Mr. Deputy Speaker: I am listening carefully to the Minister. I hope that he will refer directly to the amendment.

Mr. Butcher: I was referring to the first of the two questions which the new clause will resolve. That question is, put simply, when someone creates an original new work—a work of the type that certainly qualifies as a "literary work" within the broad meaning of term that I have already discussed — and when that creation is carried out directly in a computer memory, has the work been "reduced to a material form", and does it therefore qualify for copyright protection? The question arises whenever a work is composed by someone typing directly into a computer keyboard. This is one of the key points to which my hon. Friend the Member for Corby addressed himself in moving the amendment. That work may mean a novelist or some other sort of writer typing an article or a chapter of a new book into a word processor, or it may, as I have aleady indicated, mean a scientist, an engineer or a statistician putting together data in a new manner in a computerised database.

The need for protection in such cases is I believe, obvious, and the principle that such protection should apply is every bit as sound when a computer is used as when precisely the same material is put down, much more laboriously and less flexibly, on paper. Nevertheless, the question whether protection does in fact subsist when a computer is used has not been resolved in the courts, and uncertainty therefore remains. It may be that present law would be found to give this protection already if the issues were tested, but as long as the legal uncertainty remains, creators of new material will lack confidence in such protection. Computer technology needs to be seen as a support to the author, not as a threat to the legal protection upon which his livelihood, and that of his employers, rests.

10.15 am

The need for clear protection for a new work while it still rests only in the essentially transient form of computer memory is clear. It is vulnerable, in that form, to misappropriation. This has already been forcefully argued by the noble Lord who introduced these measures in another place, using the example of the creator of new material who left his brainchild on his computer memory while he went out to lunch, to find on his return that someone else had printed it out and had thus undoubtedly "reduced it to material form". That the law as it now stands leaves any doubt at all about the true authorship of the work in these circumstances must clearly be wrong. Therefore, my hon. Friend, in bringing forward the amendment, is doing the House a great service in seeking to eliminate an area of uncertainty.

Mr. William Powell: My hon. Friend the Member for Ilford, South (Mr. Thorne) raised two issues to which I shall respond briefly. First, he asked whether the amendment, in referring to "Line 1", is directed to the long title. The amendment appears under "In the Title" and refers to the first line of the title rather than of the Bill. I take my hon. Friend's point about "program". I have explained why that form of spelling should be adopted in the Bill. I hope that my hon. Friends the Members for Ilford, South and for Northampton, North (Mr. Marlow) will not push the matter any further.

Question put and agreed to.

Hospital Complaints Procedure Bill

Lords amendments considered.

Clause 1

HOSPITAL COMPLAINTS PROCEDURE

Lords amendment: No. 1, in page 1, line 6, leave out "Regional Health Authority" and insert "health authority in England and Wales and to each Health Board in Scotland"

10.17 am

Mrs. Edwina Currie (Derbyshire, South): I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Deputy Speaker (Mr. Ernest Armstrong): With this it will be convenient to take Lords amendments Nos. 2 to 8.

Mrs. Currie: The prime mover of the Bill, my hon. Friend the Member for Newbury (Mr. McNair-Wilson), first became interested in the complaints procedure in the National Health Service during his serious illness in 1984. This morning he is in hospital as an outpatient on a dialysis machine. I am sure that we all hope that he is feeling much better already and that before too long it will be possible to find a permanent solution for his illness. Meanwhile, I have been asked to move acceptance of the amendments. I feel honoured to have the opportunity to be associated with this important Bill.

As the Bill completed all its stages in the House without amendment on 22 February, and virtually without criticism, I should explain why we are prepared to accept all eight amendments. Without the amendments, the Bill will not do what it is intended to do. It would merely perpetuate the present somewhat unsatisfactory procedure for complaints. As the law stands, the Secretary of State, under section 17 of the National Health Service Act 1977, has the power to give directions to the health authorities, and they must comply. My right hon. Friends who have served as Secretary of State for Social Services over the years have taken this duty seriously.

The result is that we have a plethora of complaints procedures, none of which is entirely effective. The procedures were listed by Lord Colwyn in another place on 17 April. It would be appropriate to read them into the record. Lord Colwyn said:

> "They are: the civil law, with particular relevance to negligence, assault and defamation; the criminal law, with particular relevance to drugs legislation and certification; the General Medical Council and General Dental Council, concerned both with serious professional misconduct and fitness to practice; the ombudsman in matters other than clinical judgment; health circular No. (81)5, which deals with complaints regarding clinical judgments; HM(66)15, which is concerned with methods of dealing with complaints by patients; HM(61)112, which deals with matters concerning the hospital doctor's personal conduct, professional conduct and professional competence; HM(60)45, which is concerned with the prevention of harm to patients resulting from physical or mental disability of hospital staff.
>
> We have also the service committee and tribunal procedure which is concerned with the general practitioner's terms of service and under which he can be fined or excluded from providing general medical service. Finally, there are the inquiries set up by the Secretary of State under Section 84 of the National Health Service Act 1977.—[*Official Report, House of Lords*, 17 April 1985; Vol. 462, c. 779.]

Recently, the Secretary of State has made use of the powers under that section in the inquiry into legionnaire's disease at Staffordshire hospital. However, my noble Friend missed out several procedures. It is amazing what one finds once one starts digging. There are also letters to

[Mrs. Currie]

the health authorities on complaints procedures of 9 December 1966 and 27 July 1970, health notice HN(78)39 of April 1978. I think that that is an exhaustive list, but I stand willing to be corrected.

The main document in use is HC81(5), issued in April 1981, which makes it clear that it is a "memorandum of guidance" and therefore has no statutory power. If the Bill has any purpose and if these amendments have any value, that gap will be closed. It is vital that we should have, for the first time, a Bill that firmly states:

> "It shall be the duty of the Secretary of State to give to each health authority in England and Wales and to each Health Board in Scotland such directions . . . as appear to him necessary"

to achieve a proper complaints procedure.

I should like to examine the amendments in more detail. If we are to make the Bill work, we must accept all of them. Clause 1 lays a duty on a Secretary of State to exercise his existing power to give directions to health authorities so as to require the establishment and publicising of specified procedures for dealing with complaints in all NHS hospitals. The amendment extends the categories of authority to which such directions will have to be given to district health authorities in England and Wales, health boards in Scotland and special health authorities.

As previously drafted, the Bill covered only regional health authorities, and therefore applied only to England. There are no regional health authorities in Wales and Scotland, and the Bill is intended to apply in both areas. Regional health authorities in England are not the authorities directly responsible for the management of hospitals. The amendment ensures that the directions required by the Bill to be given are addressed to all authorities with hospital management responsibility. The other amendments follow from this proposed change which alters the Bill fundamentally and will make it much more effective.

Under clause 1, without the Lords amendments, there will be precious little improvement in the situation to which my hon. Friend the Member for Newbury drew attention on Second Reading. If the regional health authorities were responsible, nothing much would happen, even with the statutory obligations as laid down in the original Bill. It is worth remembering that my hon. Friend's horrendous experience—when he was treated at three different hospitals, none of which appeared to have a complaints procedure and certainly none of which informed him of one—occurred despite the plentiful supply of circulars and instructions which I outlined earlier. We must do better than that.

The key objective is to pin responsibility firmly on those bodies that run patients' services—the district health authorities. The regional health authorities are remote. In some regions, they cover thousands of square miles. They cover scores of hospitals.

Mr. Tony Marlow (Northampton, North): I am listening carefully to my hon. Friend's argument. It was suggested in the original Bill that the matter should be looked after by regional health authorities, but it is now suggested that district health authorities should be responsible. What was in people's minds originally when they thought that this matter would be better dealt with at regional level? Will my hon. Friend tell the House why that is so, because there may be potent arguments in that direction?

Mrs. Currie: I believe that the case was that the regional health authorities were regarded as the prime movers in England and Wales and that my hon. Friend the Member for Newbury had not realised that there were no such bodies in Wales. The main contact between the Secretary of State and the health service in the country at large is through the accountability reviews that he exercises during the year with regional health authorities. The Secretary of State does not normally meet the district health authorities. I believe that that is why the regional health authorities were, before the other place scrutinised the Bill, regarded as the appropriate authorities. However, in my view and that of my hon. Friend the Member for Newbury, they are not the appropriate authorities. I hope that the amendment will be accepted.

The regional health authorities may be funding certain activities—for example, regional specialties such as cardiology and kidney transplantation. However, the district health authorities carry the can for what goes on in the hospitals which they are responsible for running.

The Lords amendments to clause 1 have several other effects. They include special hospital authorities. These authorities are a legacy of the reorganisations of the NHS in 1974 and 1982. They mainly comprise certain teaching hospitals. There are eight postgraduate teaching hospital special health authorities, which were formerly run by boards of governors. They are the hospitals for sick children, the national hospitals for nervous diseases, Moorfields, the Bethlem Royal hospital and the Maudsley hospital, the national heart and chest hospitals, the Royal Marsden hospital, the Eastman dental hospital and Hammersmith hospital. There are various other special health authorities, including the Central Blood Laboratories Authority, the Health Service Supply Council, the National Health Service Training Authority, the Prescription Pricing Authority, the Rural Dispensing Committee, Rampton Hospital Review Board and the Mental Health Act Commission. Whether my hon. Friend the Member for Newbury realised that he had left all those out is a moot point, but they will now be included by these amendments.

Current DHSS guidance on complaints under HC81(5) applies to those special health authorities that provide a hospital service to NHS patients. The coverage of the Bill as amended would similarly include special health authorities that provide NHS hospital service.

Not all teaching hospitals are included in the group of special health authorities. The vast majority are run by district health authorities. I have had the privilege of being chairman of the Central Birmingham health authority which had seven teaching hospitals in the midlands, including the celebrated Queen Elizabeth hospital. The teaching hospitals in my area were not covered by special hospital authorities, although there was no technical difference between them. The postgraduate teaching at Queen Elizabeth hospital was similar to the postgraduate teaching at the hospitals to which I have referred.

It is of the utmost importance that our major teaching hospitals are not left out. When a person is acutely ill, when he has a rare condition that is difficult to diagnose or when he is an "interesting case" and liable to be discussed with students or written up as a research

exercise, the gap between the patient and the NHS staff, especially doctors, frequently grows too wide. The apocryphal comment sometimes attributed to such centres of excellence is, "The operation was a great success but the patient died." I swear that that comment has been made to me in the teaching hospitals for which I was responsible. That is not good enough. It is essential that the Bill be extended to all such authorities. When the patient is in such circumstances, it is even more important that he knows how to complain, that his family know how to complain on his behalf and that others associated with his care, including his general practitioner, are able to take up the problems. It is essential that a proper complaints procedures should exist and be made available to the patient.

On Second Reading, my hon. and learned Friend the Member for Mid-Bedfordshire (Mr. Lyell) said:

"It should be a requirement of every medical school that there is at least a significant period of formal training for young doctors as to how to approach the patient." — [*Official Report*, 22 February 1985; Vol. 73, c. 1381.]

I completely agree. I found in the hospitals for which I was responsible that the people in a teaching hospital who benefited most from a properly conducted investigation of a complaint were the young doctors undergoing training. In the middle of all their studies — of anatomy, pharmacology, surgery, anaesthesia and the like—they are not taught well how to listen to their patients. The patient often knows best. As my hon. Friend the Member for Newbury said on Second Reading, he knew that he was allergic to penicillin. The doctors took absolutely no notice, and landed him in hospital for a further five weeks with a dangerous rash.

10.30 am

We all have constituents who have experienced similar difficulties of getting doctors, especially a young doctor, to take some notice of them and to take them seriously when they say where it hurts or what does not suit them, and how they can be better treated. If, by including special hospital authorities, we can take some small step towards avoiding those things happening, we will have done some little good.

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. John Patten): I am following my hon. Friend's argument closely. She is right when she says that patients must be given all possible opportunities to air their complaints against hospitals. Happily, the number of complaints is not too great. Does she agree that, while we are correct to concentrate on ensuring that patients can have their grievances ventilated, we are equally right to stress from time to time that patients also have a responsibility towards the hospitals in which they are treated, and that that responsibility often includes turning up on time, on the right day and at the right place for operations and outpatient treatment? The NHS suffers from a considerable waste of time when patients do not fulfil those responsibilities. There is a social contract between the patient and the National Health Service which both sides should fulfil.

Mr. Deputy Speaker: Order. We are in danger of getting back to a general debate on the Bill. We must concentrate on the Lords amendments which are before the House.

Mrs. Currie: I am glad to accede to what my hon. Friend says.

The third main effect of the amendment is to extend the Bill to Wales and Scotland. I was hoping that we would see some Scottish Members here this morning. It is a pity that there is none. It was always the Bill's intention that it should cover Wales, as clause 2(3) says. However, when my hon. Friend the Member for Newbury originally tabled the Bill, it referred to regional health authorities. It happens that there are no regional health authorities in Wales. The Principality is not covered by a single RHA which answers to the DHSS.

In England, there are 192 health districts organised into 14 regions. In Wales, there are nine health districts answerable directly to my right hon. Friend the Secretary of State for Wales. There is no regional tier. Therefore, 167 hospitals in Wales — that is the figure at 31 December 1983, and I should be surprised if the DHSS does not know of a few more since then — will be covered by the Bill if the amendment is accepted. It would clearly be unsatisfactory if we did not accept the amendment. We would then have two different systems —one for the English and one for everyone else.

Mr. Marlow: I take that point. There are ways in which Scottish law and administration are somewhat different from ours and there are good reasons for that. It suits the Scots, us and the Welsh. My hon. Friend has just said that there are 192 health districts in England. I am not sure how many regions there are; perhaps she can advise me. It seems to me a rather heavy job and responsibility for the Minister to have to contact each district. As he is getting in touch with them he has, to an extent, to supervise them to ensure that they are carrying out his instructions. If he makes that connection with the regions, he has a far narrower span of control which is more easily policed and effectively carried out. The regions should be allowed to do the job for which they are in place. My hon. Friend has not yet satisfied that argument.

Mrs. Currie: On the first part of my hon. Friend's question, there are 14 regions in England. As to the second part, that is what my right hon. Friend the Secretary of State for Social Services is in office for. I am sure that he recognises that he has that responsibility now, but it is not a statutory responsibility. That is what the Bill will make it. He may give directions, and HC(81)5 is a memorandum of guidance. The health authorities do not have to take any notice of it at all. The Bill, as amended, will insist that the Secretary of State gives those instructions and will then insist that the various health authorities take note.

The regional health authorities will not be excluded by the proposed amendment to clause 1. The Bill will simply refer to health authorities and therefore regional health authorities, district authorities and the other health authorities can be included.

Mr. John Patten: Is my hon. Friend aware that, as she said earlier, my right hon. Friend the Secretary of State, my right hon. and learned Friend the Minister for Health and myself regularly meet the chairmen of the 14 regional health authorities to discuss Health Service matters? It is not correct to say that we stop our discussions at that level on complaints or any other related issue, but through regional health authority chairmen we relate to district health authority chairmen. From time to time we meet the various district health authority chairmen in the different regions. There are more than 190 of them. On those occasions we have the opportunity to discuss issues such

[Mr. John Patten]

as Health Service complaints procedures. It is important that the impression is not given that we talk only to the regional health authority chairmen on that point.

Mrs. Currie: That is right. I had the privilege of meeting my right hon. Friend the Secretary of State at such a meeting about three years ago.

My hon. Friend the Member for Northampton, North (Mr. Marlow) asked about Scotland. There is no good reason why Scotland should be excluded. There is every reason why Scotland should be part of the Bill. It was the intention of my hon. Friend the Member for Newbury on Second Reading. He is delighted to accept the Lords amendments which will extend the scope of the Bill to all parts of the United Kingdom. I understand that it is my right hon. Friend's intention to move Orders in Council that will make the Bill apply to Northern Ireland as well.

Mr. Marlow: I was not saying, forgive me, that Scotland should not be included. All I was saying was that sometimes Scottish legislation is different from that of England, for good reasons. My hon. Friend is beginning to frighten me. She said that there are 14 regions and 192 health districts. She is saying that the Minister will send out his diktat—let me put it more kindly than that: his ideas and instructions — to the districts and to the regions as to how the complaints procedure should be run. That seems like a recipe for chaos, because the chairman of the regional health authority and the general manager of the district health authority will both be waving their pieces of paper from the Minister. The region will be saying to the district, "We do not like the way in which you are doing it." The district will be saying to the region, "Ah, but I have it in tablets of stone from the Minister."

My hon. Friend should study any large organisation. The one that I know best from my background is the services. She will find that the general might tell the brigadier what to do, but it is up to the brigadier how he organises his colonels. If the generals start telling the colonels what to do, there is chaos.

Mrs. Currie: Far be it from me to answer for my hon. Friend the Minister, who I know wishes to intervene at some stage, but my understanding is that we will have a process of consultation after the Bill becomes law, if it receives the assent of both Houses. That will be an extensive process of consultation. The instructions that will be eventually issued by the DHSS to the health authorities in the Bill, as amended, will take into account comments that are made. I hope that they will produce something that is effective, and in view of the requirement for publicity, to which I shall come, will cope with all the problems identified by my hon. Friend the Member for Newbury and the difficulties faced by many of our constituents when they are obliged to go into hospital.

As there are no Scottish Members present, I shall deal with the matters relating to Scotland in a little more detail. Without the amendments, we should not be able to extend the Bill to the Scottish Health Service, and that would clearly be unsatisfactory. There are 15 health boards in Scotland — 12 for the mainland and three island authorities for Orkney, Shetland and the Western Isles. There are no districts. One tier, the health board, is appointed by my right hon. Friend the Secretary of State for Scotland. The health boards are directly responsible to the Secretary of State for Scotland, and they cover 365 hospitals.

I have never been in a Scottish hospital. I hope that I never have need of one. My attitude is much the same to all hospitals in Scotland, England and Wales and everywhere else. Any Scottish colleagues who read the *Official Report* of today's proceedings should not feel discriminated against. The National Health Service owes an enormous debt to Scottish medicine, because there is no doubt that for many years Scottish teaching hospitals have been well ahead of many of their contemporaries elsewhere. Scottish medical schools have led the nation for a long time.

Mr. Martin M. Brandon-Bravo (Nottingham, South): My hon. Friend is treading on dangerous ground there.

Mrs. Currie: I have no doubt that my hon. Friend is about to tell us that teaching hospitals in Nottingham will stand with those of the rest of the nation.

Mr. Brandon-Bravo: Of course.

Mrs. Currie: As many of my constituents are treated there, I agree with him. However, we must recognise that under the Bill, without the amendments, Scottish hospitals would not be included. As the law stands, Scots people would not be assisted by the Bill, unless the House accepts the amendments that I have outlined. They would continue to have the benefit of only the 1977 law and the rather toothless circulars that were sent out as a result. They would continue to have a patchy service with regard to complaints, with some hospitals setting a high standard of producing leaflets telling people what to expect in hospital and how to take up matters that did not satisfy them, and some offering no advice whatsoever and continuing to act as though the patient were merely a case instead of a human being.

That is not satisfactory. By amending the Bill in this way, we shall ensure that patients in Scotland, along with those in Wales in the hospitals under the special hospital boards, as well as in England, will in future have a complaints procedure that is standard across the nation, compulsory and has statutory force. The procedure should ensure that events such as the horrific incidents described by my hon. Friend the Member for Newbury on Second Reading are investigated, put right and dealt with in a manner that can have the confidence and trust of all concerned.

England had 1,923 hospitals as at 31 December 1983. In total, therefore, 2,455 hospitals would be covered by the Bill if the amendments were accepted, 500 of them added by the amendments. Therefore, the amendments are of crucial significance to the many millions of people being treated in NHS hospitals.

An important element in the amended clause 1 would be subsection (1)*(b)*. As amended, the clause will ensure that the Secretary of State will be obliged to require all health authorities to publicise their complaints procedure. My hon. Friend the Under-Secretary said on 22 February:

> "A complaints procedure about which no one knows is of no use to anyone." — [*Official Report*, 22 February 1985; Vol. 73, c. 1389.]

I heartily endorse that. This is the first time that health authorities are being told that they must inform patients

about some features of hospital life. It is the first time that my right hon. Friend the Secretary of State will have been obliged to lay that duty on them.

We should clarify one or two points about the amended clause. It does not give the patient the right to demand access to his files. It does not challenge hospital security on medical confidentiality. The British Medical Association had some reservations about that in the original Bill. Those matters are being fiercely debated elsewhere, not least later this morning. No doubt the Bill will add to that. However, that is not the purpose of the Bill and the subsection. It says that every health authority must tell patients in all the units for which they are responsible what to do if they are not happy with any aspect of the service that they receive. Up to now it has been said that they "should" tell the patients. Under the Bill as amended, that will be changed to "must". That is a major step forward. It will no longer be possible for the patient to be ignored. It is a most important part of the patients' charter which my hon. Friend the Member for Newbury published last September, and which attracted so many favourable comments at the time. In the circulars sent out under the previous legislation, the Secretary of State has suggested that each health authority should produce a leaflet. The appendix to HC(81)5 made some rather heavy-handed suggestions of what might be included. Paragraph 7 of the circular says:

"Information booklets should be given to hospital in-patients including, where possible at some suitable time, those admitted through accident and emergency services. These 'hospital booklets' should also be available to patients, on request, in hospital out-patient departments."

Note the word "should", not "must". We shall put in "must" as th Bill goes through both Houses and enters into law. Suggested paragraphs for use in the booklets for patients are contained in appendix 1 to memorandum HC(81)5, which reads:

"If you are seeking information when in hospital, the ward sister will generally be the person to speak to in the first instance"——

Mr. Deputy Speaker: Order. The hon. Lady must relate her remarks to the amendments before the House and not go into a general discussion about the Bill.

10.45 am

Mrs. Currie: I apologise, Mr. Deputy Speaker. I wish to point out merely that, without the amendments, the Bill would not work. It would simply reiterate and re-establish the existing rather unsatisfactory procedure.

Mr. John Patten: Having been correctly called to order once before by you, Mr. Deputy Speaker, I am fearful of being out of order again. I am sure that you will correct me immediately if I stray over the bounds.

The amendments relate to procedures south and north of the border, and my hon. Friend the Member for Derbyshire, South (Mrs. Currie) is speaking to them very clearly. Does she agree that one of the issues raised in the circular to which she referred is the most important issue of monitoring, which is covered in paragraph 8? Authorities will have to introduce, both north and south of the border, systematic and effective methods of reviewing complaints. It is no good just having leaflets available. It is important to have the complaints themselves monitored and reviewed systematically.

Mrs. Currie: My hon. Friend is absolutely right. Without such a monitoring system, the complaints procedure has no purpose. It will serve merely to air people's grievances and not correct the problems that led to the grievances in the first place.

My experience supports my hon. Friend in that. I was a member of the old Birmingham area health authority —a teaching authority, which has since been abolished — in the days when the circular to which my hon. Friend refers was published. We did our best to implement the circular, but, with the best will in the world, we had other priorities at the time, such as getting staff in post, particularly on the reorganisation of the Health Service. There are still hospitals in the group for which I was responsible that do not have such leaflets. It is worth emphasising the importance of ensuring that patients all over the country receive appropriate advice on how to complain. The amendment will ensure that that happens.

We had most fun at the Birmingham maternity hospital, a teaching hospital, where I had been a patient twice, in 1974 and 1977, when I had my two children. The hospital had an excellent leaflet. As a patient, I was able to make use of it. Subsequently, as chairman of the health authority responsible for the hospital, I was able to improve it, particularly by choosing better photographs. It may sound trivial to tell a pregnant girl to bring her toothbrush and some change for the telephone, but I assure the House that it felt like good advice when we woke up in the recovery room. We were grateful.

In future, as I understand it, failure to produce an appropriate leaflet will be grounds for complaint, too. I hope that the health authorities do not regard that as too much of an imposition. They should always remind themselves that they run the hospital not for the doctors, not for the convenience of the staff, not alone for the greater gains of medical research or for the reflected glory of being involved with Britain's best-loved institution, but for the patients. The patients are not a nuisance to be kept quiet—they are not a collection of statistics. That is an attitude that we must eradicate.

Amendment No. 4 is concerned with the Health Service commissioner—*[Interruption.]* There are eight amendments, and as the Bill had its Second Reading on the nod none of those matters was debated then. It is appropriate that we give proper consideration to them at this time. I hope that the House accepts that.

Amendment No. 4 improves clause 2 by ensuring that it extends to Scotland and thus covers the whole country. I accept that this is not the place to debate the role of the ombudsman — I do not intend to do so — but it is important that we do not hamper his work in any way. He was set up under the National Health Service Act 1977, and section 116 limits his powers in the following way:

"Except as hereafter provided, a Commissioner shall not conduct an investigation under this Part of this Act in respect of any of the following matters—

(a) any action in respect of which the person aggrieved has or had a right of appeal, reference or review to or before a tribunal constituted by or under any enactment or by virtue of Her Majesty's prerogative, or

(b) any action in respect of which the person aggrieved has or had a remedy by way of proceedings in any court of law".

That is very specific.

The ombudsman is a most important part of the overall complaints procedure. He deals with about 120 cases a year. He can take up any issue, whether it has a medical content or not. Having been on the receiving end, as a

[Mrs. Currie]

health authority chairman, I know the thoroughness and fairness of his work. He and his staff do a great service to the people and the NHS.

Without the amendment, the ombudsman would be rendered helpless, especially in Scotland. He will effectively be out of a job if he is specifically precluded from operating when any other course of action is open to the complainant, whether through legal action, a tribunal, an appeals procedure or whatever. Over time, as the health authorities obey the instructions set out in clause 1 and introduce a complaints procedure and tell people about it, the ombudsman may be unable to take up cases because the Secretary of State and the health authorities have pre-empted him.

Mr. Marlow: I wonder whether my hon. Friend's constituency experience has been similar to my own. Aggrieved constituents have sought my assistance to put them in touch with the ombudsman but in practice he has been able to do very little for them. As often as not, the resolution of their worries has been outside his competence. That is why the Bill and the amendments are so important.

Mrs. Currie: Some of the difficulties of dealing with complaints and of getting people to complain correctly and adequately to the right person at the right time were dealt with in the debate in another place. My hon. Friend raises a most important point. Part of the problem is a matter of attitudes. It is surely possible to advise people of the complaints procedure before they go to hospital for planned surgery or treatment. They should receive a leaflet in advance including advice on what to do if they are unhappy or have questions to ask. That advice should cover not just the patient, but his family, his general practitioner, his other medical advisers, and so on. If the patient has that information before he goes to the hospital he is likely to ask the appropriate questions at the right time and the people treating him are more likely to regard him as a human being whose fears and anxieties have to be allayed, not ignored. We must make that point very firmly today.

As for the powers of the ombudsman, it is worth reflecting that more than 5 million outpatients and, I believe, more than 600,000 inpatients are treated every year. Under the guidance of the Ministers concerned, record numbers of patients are being treated, but there are only about 9,000 written complaints per year which have to be investigated, and the ombudsman deals with only 120.

Mr. Deputy Speaker: Order. The hon. Lady said that she did not intend to talk about the ombudsman's duties. She must deal with the amendments.

Mr. Marlow: On a point of order, Mr. Deputy Speaker. If the ombudsman is prevented from fulfilling the purpose for which he exists and from meeting the needs of complainants, the question whether the situation is best dealt with by the Minister issuing instructions to regional health authorities or directly to district health authorities would seem to be germane to the debate. To that extent——

Mr. Deputy Speaker: Order. That is an interesting question, but it is not one for me. It is for the Chair to decide whether a matter is in or out of order.

Mrs. Currie: With regard to amendment No. 4, the law is a little hazy. It is not clear whether the ombudsman would be ruled out of court by the Bill as it stands, but we do not intend to find out the hard way. The clause is especially defective in relation to Scotland. In this context, we are pleased to note and to support their Lordships' amendments, which will ensure that the ombudsman's work in Scotland will continue on exactly the same basis as in the rest of the United Kingdom and that the benefits to which my hon. Friends have referred will be assured.

In my view, the Lords amendments greatly improve the Bill's effectiveness and are to be welcomed. Under the existing legislation it was possible for my hon. Friend the Member for Newbury to visit three different hospitals without being given any information about complaints procedures and to be a patient for months on end without realising that the Secretary of State had written to all health authorities years earlier advising them to set up a complaints procedure and to tell everyone about it. Indeed, other patients turned to him as a Member of Parliament to take up complaints on their behalf. In other words, the powers that be were able totally to ignore the myriad circulars sent out and the advice of the Secretary of State to the effect that they should have a complaints procedure. I am sure that my hon. Friend the Member for Newbury was surprised to read all those circulars and no doubt that was the basis of his determination to make the procedures statutory and mandatory so that no hospital could make the excuse that it did not have time and had not bothered to establish the necessary procedures.

This little Bill, with these important amendments, will be a step forward in patient care. My hon. Friend the Member for Newbury has asked me to thank all the staff at the DHSS for their assistance at all stages of the Bill. I also thank them for their very effective briefing to me in recent days. My hon. Friend has also asked me to thank all hon. Members who have assisted in the passage of the Bill in both this and the other House, especially the Under-Secretary of State, my hon. Friend the Member for Oxford, West and Abingdon (Mr. Patten) who must be singled out for special praise as he has taken a close personal interest in the Bill.

Finally, I am sure that the whole House will join me in thanking my hon. Friend the Member for Newbury for bringing forward the Bill. We congratulate him on his success in the ballot and we recognise the courage and dignity with which he presented his case and with which he continues to combat his illness. We wish him good health and we hope that he will never have occasion to set in train the procedures that he has established in the Bill.

Mr. Marlow: The Bill is very welcome, but it is important that it should be coherent and that the amendments should be properly considered. As my hon. Friend the Member for Derbyshire, South (Mrs. Currie) has said, it is important to include Scotland and Wales —and potentially Northern Ireland as well—so that the whole United Kingdom can benefit from this boon.

At present, the Minister has power to issue instructions but is not required to do so. In the light of my experience of real constituency problems in this area, I am anxious that the Minister should give the instructions to the right people. The House is frequently concerned with human rights issues, but what happens in the Health Service is not just a question of human rights — sometimes it is a matter of life or death. Those who survive the sad death

of a loved one are rightly deeply concerned about the circumstances. Sometimes, they fear that something which should have been done was not done or that the concerns of the bereaved have not been properly considered. A constituent whose mother died in a hospital outside the area sought an investigation into the circumstances in the belief that the right treatment had not been given. That may well have been so. The doctors do a tremendous job, but to err is human and mistakes happen. We must consider how complaints of that kind are best investigated in the light of the real burdens of sadness and distress that many of our constituents face.

Where do we go from here? Do we, as the Bill suggests, require the Minister to send to every one of the 192 district health authorities in England an elegantly phrased edict — knowing my hon. Friend the Under-Secretary of State, it will be both elegant and eloquent —as to how they should proceed?

11 am

In Northampton, but not in my constituency, a young girl was recently misdiagnosed and, sadly, died of appendicitis. There was a great deal of publicity and anxiety about the case, and people feel that questions have not been answered.

Is my hon. Friend the Minister required, in regard to the complaints procedure, to pass his instructions to district health authorities or to regional health authorities? If he gives instructions to DHAs, that means that he is responsible for ensuring that they are carried out. If he gives his instructions to RHAs, he has a proper responsibility to ensure that they are carrying out his instructions, but there are 14 of them. Some of us have been in the Army, industry and management and have heard about something called the span of control. The ideal span or number under a chief is eight. I am aware that my hon. Friend is beyond the realms of normal human beings. He is a gifted and gracious man and I am sure that he could cope more than adequately with a span of control of 14. Nevertheless, I wonder whether, in his heart of hearts—for, despite his great skills, my hon. Friend is a modest man — he feels that he could administer and supervise 192 DHAs.

Mr. John Patten: I am naturally loth to intervene in this agreeable flood of compliments, and I hope that my hon. Friend will not feel that my intervention should cut him off from continuing in that vein. Does my hon. Friend agree, however, that there are great difficulties in Health Ministers involving themselves in detailed management, including management of complaints procedures, in 192 DHAs? Does he further agree that it is therefore important that we should issue general instructions to all health authorities, as my hon. Friend the Member for Derbyshire, South (Mrs. Currie) said, in so doing trying not to intervene unnecessarily beyond the span of control in the running of those 192 DHAs, or that we should approach the task through our regular contacts with the 14 RHAs?

Mr. Marlow: I am beginning to be reassured. Perhaps I might bore the House with my experiences in uniform. When I was in the Army, we had things called Defence Council instructions and Army Council instructions, which were sent throughout the service to every unit, however small, The War Office, as it then was, and the chiefs of staff were not directly responsible for or in control of each unit. I should be worried if I thought that my hon. Friend had to manage the 192 DHAs directly.

It is instinctive for a professional body to look after its own. Disasters are bound to occur in the Health Service, and when they do there is a closing of ranks. There is little controversy about that. If prime responsibility for dealing with the complaints procedure rests within the DHA, responsibility will lie precisely where the ranks will close. It could be advantageous for responsibility to be vested in the higher tier. With responsibility in the lower tier, internal politics and knowledge of individuals——

Mr. John Patten: I am a bit worried about what my hon. Friend is saying. Is he entirely ignoring the introduction of the new management structure, the appointment of the general manager, Mr. Victor Poge, general managers for RHAs and for DHAs and the appointment of managers at units of management level? Does my hon. Friend agree that that provides a line of management which will enable complaints procedures to be dealt with managerially and outwith any closing of ranks, which my hon. Friend suspects might happen?

Mr. Marlow: My hon. Friend says that I suspect it might happen. I am not suspecting anything in a nasty way; I am reflecting on human nature and how things happen in organisations and institutions. The new management structure is a tremendous step forward. Like him, I believe that it will be massively helpful for the Health Service as, at last, there will be somebody at each level with whom the buck will stop.

We have a police complaints procedure, and one of the criticisms of it is that it is in-house. The police are involved with people's civil liberties. The Health Service——

Mr. Deputy Speaker: Order. Will the hon. Gentleman tell me to which amendment he is addressing himself? I see no reference to these details in the amendments.

Mr. Marlow: The thrust of the amendments is the inclusion of all health authorities as opposed to just regional health authorities. I am seeking justification for my hon. Friend sending his instructions to each health authority rather than, as the Bill originally provided, to RHAs.

Mr. Deputy Speaker: Order. The hon. Gentleman must address himself to that argument. I have not heard it deployed yet.

Mr. Marlow: There is anxiety that the police complaints procedure is in-house. I am saying that we should be more careful in the Health Service because we are dealing with matters of life and death. As we are having a complaints procedure, we must ensure that it operates at the proper level. I feel instinctively that the main responsibility could quite properly lie with the RHA, although I accept that, as with Army Council instructions and Defence Council instructions, it is right for my hon. Friend to send his eloquent, elegant and well-written instructions to every health authority in the realm.

I am sure that my hon. Friend will have a good reply to that question. What is the best method for ensuring that my hon. Friend's instructions are carried through?

Mr. John Patten: Ultimate responsibility lies with my right hon. Friends the Secretaries of State for Social Services, for Wales and for Scotland. Responsibility for the complaints procedure therefore devolves downwards through the health authority network and management structure in the three different countries. I do not see that

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my hon. Friend has a point to make, because the line of responsibility goes up to the three Secretaries of State involved.

Mr. Marlow: I respect my hon. Friend's point, and I am sure that later he will provide further details that will satisfy even my mind.

In the NHS my hon. Friend has a management structure, just as ICI, BP, Shell, and Guest, Keen and Nettlefold have a management structure. If, as a supplier or receiver of goods, one had a commercial complaint against any of those firms and wrote to the chairman or managing director, there would be a tendency within the firm concerned to close ranks. That is why we have consumer protection legislation. Splendid though the general managers in the Health Service are, if complaints are made relating to their area, are they the best people to operate the complaints procedure, or would it be better done at a higher level? That is the question that I leave with my hon. Friend.

Mr. Brandon-Bravo: In case the crowded Benches in the House this morning should give the public at large the wrong impression, I should like to make a brief contribution in support of the Bill in general and the amendments in particular.

In the 17-line explanation of the purpose of the Bill there are 19 words that we are considering this morning to which the amendments are specifically addressed. Those words are:

"to establish and publicise, as respects each of the hospitals they are responsible for managing, a procedure for dealing with complaints made by, or on behalf of, patients at such hospitals."

Given that that is the kernel of the Bill, I do not think that anyone could reasonably suggest that the amendments do anything but emphasise and underscore those objectives. It is right and proper that we should have one law in the United Kingdom to deal with a hospital complaints procedure. Many of us — even after two years in this House—still cannot come to terms with the fact that we do everything three times — first for England and Wales, then for Scotland and then for Northern Ireland. The public must also be puzzled that we have to multiply our legislation in that way. If the Bill simplifies the procedure, I am sure that that is all for the good.

I do not think that the analogy of generals bypassing their brigadiers and talking to their colonels, in the manner suggested by my hon. Friend the Member for Northampton, North (Mr. Marlow) is fair. Indeed, if that is how they operate, I can understand why the management structure of the services was in such a mess in the first world war. I think that the point that my hon. Friend was trying to make was that perhaps our worthy colleagues in the DHSS should talk only to the regions and not to the districts.

There are only 14 regional health authorities. My authority is Trent. They are vast organisations. The public might think it more appropriate that the Minister should write direct to the district councils, which are nearer to the grass roots and much more in contact with local people and local Members of Parliament. The Trent region stretches from Sheffield in the north to Leicester, or even further south. Those vast regional authorities employ thousands of staff.

Mr. John Patten: My hon. Friend is pressing me, as I have been pressed hard by my hon. Friend the Member for Northampton, North (Mr. Marlow), on the question of devolved responsibility. Will my hon. Friend accept from me that it is our intention, should the Bill become law, that while all health authorities will be given identical instructions, we regard our relationship as being initially with regional health authorities on the general conduct of business, of which the complaints procedure is but one part, and thence onwards to the district authorities, as laid down by law?

Mr. Brandon-Bravo: I accept my hon. Friend's point without reservation. I am sure that the Bill will be accepted in its present form. I welcome and support it.

11.15 am

Mr. Clive Soley (Hammersmith): In the unavoidable absence of my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson), I confirm that the Opposition welcome the Bill as a step in the right direction.

Congratulations are due to the promoter, the hon. Member for Newbury (Mr. McNair-Wilson), who is not very well and cannot be here today, and to the hon. Member for Derbyshire, South (Mrs. Currie). We must not only congratulate the hon. Lady but you, too, Mr. Deputy Speaker, for your forbearance during a speech lasting 40 minutes in which Scotland was referred to only half a dozen times, when every amendment relates to Scotland. I am not sure who deserves most congratulations—you for your forbearance, Mr. Deputy Speaker, or the hon. Lady for getting away with it.

The hon. Lady also deserves congratulations for striking fear into the heart of the hon. Member for Northampton, North (Mr. Marlow). That is not an easy thing to do. Perhaps it is a forerunner of what may happen when we deal later with the Sexual Offences Bill.

The Hospital Complaints Procedure Bill is a step in the right direction and we commend its extension to Scotland. We do not need to have separate legislation for each part of the United Kingdom; that is neither necessary nor desirable. The fundamental argument is that there is a need for a proper complaints procedure in the NHS, and that it should extend to all parts of the United Kingdom.

It is regrettable that there is still no proper democratic system for running the NHS, and that matter needs to be examined carefully. From time to time I receive complaints which can be taken up with the area health authority or the regional health authority and I do not always receive satisfaction, despite the good intentions of those involved. In many cases there is no proper way in which to follow up complaints. I know that from time to time the Minister receives letters of complaint about the procedure and he must appreciate that it is not effective.

I should like to see the involvement of local councillors who are directly elected. I commend the efforts of Councillor Hugh Thompson in my own area. He has started the first advice surgeries for people with complaints about treatment in the NHS. They are held on a regular basis so that people have someone to whom they can air their grievances.

I shall be writing to the Minister in due course on another matter which does not fall under the legislation before the House. There are plans in Hammersmith, which is a special health authority area, to close seven wards for the month of August. I have already received several

complaints from people who will not be able to enter hospital and will suffer extra pain because of the month's delay. The reason for closing the wards is simply to save £100,000. That is the nature of the problem, yet a few moments ago the Minister intervened to say how much the Government were spending on the NHS. The public recognise that there is a real undermining of the NHS taking place and a deterioration in the services provided.

The Bill is a small but important step towards a proper complaints procedure, and will put firmly on the statute book a recognition of the principle that some form of national complaints procedure is required. But sooner or later the House will have to examine in more detail the administration and control of the NHS on behalf of the people who make use of the services. We should also consider whether it should be separate from local government.

Mr. John Patten: Our interesting short debate has been notable for the fact that the affairs of Scotland and Wales have been debated without many hon. Members from those countries being present to consider the amendments.

I join the hon. Member for Hammersmith (Mr. Soley) in paying tribute to my hon. Friend the Member for Newbury (Mr. McNair-Wilson). I described him during Tuesday's debate on the NHS as our valiant hon. Friend —and valiant he is. I know that he wished to be here today, but is unable to be present because he is having hospital treatment. He certainly intends no discourtesy to the House by his absence. He has an adequate and elegant substitute in my hon. Friend the Member for Derbyshire, South (Mrs. Currie).

The amendments have been fully examined. Most involve the extension of the Bill to other parts of the United Kingdom, though there are also important issues involving the Health Service Commissioners.

Clause 1 lays a duty on the Secretary of State to exercise his existing power to give directions to health authorities requiring the establishment and publicising of specified procedures for dealing with complaints in all NHS hospitals. Lords amendment No. 1 extends the list of authorities to which such directions will have to be given to district health authorities in England and Wales, health boards in Scotland and special health authorities wherever they are located. That provision greatly exercised the mind of my hon. Friend the Member for Northampton, North.

My hon. Friend the Member for Derbyshire, South went into the amendments in detail and I complimented her on her speech, which I followed with great care. We are sometimes a little too free with our compliments in the House, just as we are sometimes a little too free with our abuse of each other. When I read what I had said about the hon. Member for Oldham, West (Mr. Meacher) at the end of Tuesday's NHS debate, I was a little ashamed of myself. I referred to his possible future as a Front-Bench spokesman and used the words of a well-known first world war song to express my regrets that the hon. Gentleman might not be on the Opposition Front Bench in the future. Perhaps I went a little far and, therefore, perhaps I have been a little restrained in my compliments to my hon. Friend the Member for Derbyshire, South.

As drafted, the Bill covered only regional health authorities and therefore applied only to England. There are no regional health authorities in Scotland or Wales and it is now intended that the Bill should apply in both those countries. My hon. Friend the Member for Nottingham, South (Mr. Brandon-Bravo) complained about our legislative diversity, but the countries that make up the United Kingdom express that diversity in their organisation of the NHS and in other ways, and we have to make appropriate legislative provision for them. However, I understand why my hon. Friend feels that the process takes up much of our time.

Regional health authorities in England are not directly responsible for the management of hospitals. Lords amendment No. 1 will ensure that the directions to be given are addressed to all authorities that have hospital management responsibilities. I made that point two or three times during interventions in the speech of my hon. Friend the Member for Northampton, North. I am grateful to him for having given way because we had a useful debate about the responsibilities of the various health authorities.

Lords amendment No. 1 extends the Bill to Wales and Scotland, but not to Northern Ireland. In an enjoyable and all too brief speech, my hon. Friend the Member for Nottingham, South told us his views on legislative diversity and said that he always liked to see one law for the United Kingdom. For two and a half years I was Under-Secretary of State for Northern Ireland and I was often here at two o'clock or three o'clock in the morning debating Northern Ireland issues. I know that if the right hon. Member for South Down (Mr. Powell) were here today, he would give a "Hear, hear" to the sentiments of my hon. Friend the Member for Nottingham, South.

The amendments are technical, but they are important to Wales and Scotland. They are designed to ensure that the Bill can have its intended effect, and the Government support them wholeheartedly. For my right hon. Friend the Secretary of State to be able to make directions which will bite on the relevant authorities, the Bill must specify the authorities correctly. As originally drafted, it did not do so.

Clause 1 refers only to regional health authorities. As has been pointed out time and again in the debate, those authorities exist only in England. There is no regional tier of management alone in Scotland and Wales. Moreover, as my hon. Friend the Member for Northampton, North mentioned in his powerful speech, regional health authorities in England do not directly run hospitals. That is the job of district health authorities and of special health authorities to which my hon. Friend the Member for Derbyshire, South referred at length, though I should have liked her to develop her comments on special health authorities, because they are neglected bodies. I fear that all too often the public do not appreciate the relationship between district, special and regional health authorities, particularly in London.

In Wales, district health authorities are the relevant authorities, while in Scotland the health boards run hospitals. The amendment would include those authorities in the Bill. In addition, to the extent that regional authorities are responsible for elements of the management of hospitals, the Bill will bite on them. My hon. Friend the Member for Northampton, North referred to that. I see that he has moved to the Opposition Front Bench; I hope that that is only a temporary aberration.

The Bill was originally intended to apply only to England and Wales, but the Government and my right hon. Friend the Secretary of State for Scotland, who has had to give his assent, have agreed that it should apply north of

[Mr. John Patten]

the border as well. My hon. Friend the Member for Newbury has said that he wishes the Bill to be extended as widely as possible and the Government support that objective. There has been no dissenting voice from England, Scotland or Wales during the debate.

Lords amendment No. 2, which is also a technical amendment, will include a necessary reference to the legislation governing health boards in Scotland. It will permit equivalent Scottish legislation to be applied in the issuing of directions to health boards north of the border. I commend the amendment.

11.30 am

It is important briefly to consider amendment No. 3, which provides for references to health boards in Scotland to be included in the Bill. It is consequent upon the previous two amendments and ensures that the Scottish health boards are referred to in the Bill where necessary. The Government support the amendment. The issue was of great concern to my hon. Friend the Member for Northampton, North, who, I am relieved to see, is now crossing the Floor, back to his rightful place below the Gangway on the Conservative side of the Chamber. I was worried to see him on the Labour Front Bench consulting the hon. Member for Hammersmith.

Amendment No. 4 is interesting and ensures that the Health Service Commissioners are not precluded from carrying out investigations, under part V of the National Health Service Act 1977, into cases that have been investigated under any procedures laid down in the directions to be made by the Secretary of State in pursuance of the duty conferred on him by the measure. Those directions should not in any way interfere with the work or the jurisdiction of the Health Service Commissioners. The amendment makes equivalent provision for Scotland, which the Government wholeheartedly support.

The offices of the Health Service Commissioners, which will be affected by the amendment, provide an important avenue for an independent review of complaints. Certain criteria must be met before the Commissioners can investigate, but they are not onerous and are intended to ensure that justice is done to both the complainant and those complained against. Although my hon. Friend the Member for Derbyshire, South made that point, I am sure that the House regrets that she did not speak at greater length on it. The Bill is not intended to restrict the Commissioners' powers, and it is important that that is widely recognised.

A strict interpretation of the legislation governing the Commissioners' activities may well have caused problems. Therefore, section 116 of the National Health Service Act 1977 prevents any investigation of an action where the complainant has a right of appeal, reference or review by a tribunal constituted under any enactment. If the section were not specifically exempted, it might bite on the procedures to be laid down as a result of the Bill. That is not the intention of the Bill and, therefore, clear provision is made to allow the Commissioners to investigate complaints and to exempt the Commissioners' investigations both north and south of the Border.

Amendments Nos. 5 and 6 are technical amendments to ensure that the interpretations of the provisions applying to Scotland are included. Just as there are different legislative provisions north and south of the Border, so Scotland and England are at times divided by legal language. If my hon. and learned Friend the Member for Perth and Kinross (Mr. Fairbairn) were present, he would say, "Hear, hear," to that, and stress that it was desirable. The amendments ensure that the Bill will be understood on both sides of the Border, and include necessary references to Scottish law. The Government support them.

Amendment No. 7 refers to clause 2(3) and deals with the extent of the Bill. It deletes references in the Bill which exclude Scotland. The amendments that we have so far discussed render redundant the exemption of Scotland from the Bill, and this amendment brings Scotland fully within the Bill's scope.

Amendment No. 8 deals with the long title, which it is important to get right. At present it refers only to regional health authorities, and the amendment provides for the inclusion of references to district and special health authorities in England and Wales, and health boards in Scotland. As drafted, the long title reflects the previously limited scope of the Bill, but thanks to the advocacy of my hon. Friend the Member for Derbyshire, South we have extended that scope. The amendment ensures that the long title accurately reflects the amended Bill's contents, and parallels the wording that has been agreed for clause 1(1) in its references to health authorities in England and Wales and health boards in Scotland. We support the amendment.

I hope that the House will approve the amendment and that the Bill will pass into law. My hon. Friend the Member for Newbury, ably and strongly supported by my hon. Friend the Member for Derbyshire, South, has advanced the rights of patients to have complaints against hospitals thoroughly investigated within and by the NHS. The Government wholeheartedly welcome the spirit in which the Bill was introduced in February, and hope that the measure will eventually pass into law.

Question put and agreed to.

Lords amendments Nos. 2 to 8 agreed to.

Local Government (Access to Information) Bill

Lords amendments considered.

Clause 1

ACCESS TO MEETINGS AND DOCUMENTS OF CERTAIN AUTHORITIES, COMMITTEES AND SUB-COMMITTEES

Lords amendment: No. 1, in page 2, line 14, leave out "other than the Data Protection Act 1984".

11.37 am

Mr. Robin Squire (Hornchurch): I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Deputy Speaker (Mr. Ernest Armstrong): With this it will be convenient to take Lords amendments Nos. 3, 7, and 9.

Mr. Squire: This is the final stage of a Bill which I am entitled to describe as major. It is major in size, in that it was six pages on Second Reading and is now 36 pages. That is a tribute in itself to the clarifying powers of both Chambers. It is major in effect because it will affect every local authority in England, Wales and Scotland. I pay my respects to and thank my noble Friend Baroness Carnegy of Lour, who gave sterling assistance in another place and enabled the Bill to return to this House. That was appreciated by both me and the Bill's supporters outside the House. I know that she would wish to join me in thanking both the umbrella freedom of information campaign and the community rights project, which have given us a great deal of assistance. Indeed, the Government's advisers have also been of enormous assistance in getting the wording into its correct and final form.

The effect of amendments Nos. 1, 3, 7 and 9 is that local authorities must not release information where disclosure is forbidden by other enactments. That principle, perhaps predictably, was already built into the Bill, but with one significant exception: the Bill overrode the Data Protection Act 1984. That Act mandatorily protects personal information which would enable an individual to be identified and which is held on computer or derived from computer data. While overriding the Act, the Bill sought in the schedule to give local authorities discretion to withhold personal information whether held on computer or by more traditional methods. Thus, all personal information held by local authorities was afforded similar discretionary protection.

However, in the light of discussions with appropriate Departments and with representatives of the Association of County Councils, the Association of District Councils and the Association of Metropolitan Authorities, we now all believe that the balance of advantage lies in removing the exception for three main reasons. Before I give them, I should pay tribute to the co-operation that I have received from representatives of the local authority associations, who have laboured long and hard to ensure that the Bill is workable by the local authorities.

The first reason is that the Data Protection Act responds to public anxiety in that it seeks to protect, as an intentional act of public policy, personal information held on computer or derived from data. It deliberately stops short of attempting to extend protection to personal information held in more traditional forms. Therefore, it would be difficult to defend according privacy mandatorily to all personal information held on a computer, or derived from computer data, except information in the hands of local authorities, which would have the aforementioned discretion.

Secondly, the law would be clearer and more readily comprehensible by local authorities and the general public if the prohibition in the Data Protection Act were maintained for local authorities.

Thirdly, in practice, a local authority which wishes to exercise discretion over the disclosure of personal information held on computer or derived from data would still be able to do so. It could register, for specified information, a data recipient as narrow or as wide as it wished, extending in the latter case to the general public.

Those reasons appear to outweigh the case for the exception that was included in the Bill. The local authority associations made it clear that they would prefer the exemption to be removed. Amendments deleting references in the Bill to the Data Protection Act were accordingly tabled and accepted on Report in the other place.

Mr. Clive Soley (Hammersmith): I congratulate the hon. Member for Hornchurch (Mr. Squire) on his introduction of the Bill. It has been supported by the Opposition and by the freedom of information campaign, to which all hon. Members owe a debt. Indeed, the local authorities have supported it. It is a good step forward, and we welcome it.

Mr. Simon Hughes (Southwark and Bermondsey): On behalf of the Liberal party, I wish to pay a similar compliment to the hon. Member for Hornchurch (Mr. Squire). He picked up the Bill that others had tried to introduce in the two previous Sessions of Parliament. The trio of hon. Members consisted of one from each major party, which shows the all-party nature of the Bill. As last year's sponsor, I am happy that someone else did the work this year, and even happier that the Bill is likely to become law. It is a good Bill and the hon. Gentleman deserves congratulations on the effort that he has put into it. I hope that he will pass on our congratulations to all those who have helped him to get the Bill on to the statute book.

The Parliamentary Under-Secretary of State for the Environment (Mr. William Waldegrave): I am happy to join those hon. Members who have congratulated my hon. Friend the Member for Hornchurch (Mr. Squire) on a good Bill, which has been made better by the consideration given to it here and in another place. I am grateful for the tribute that he paid to my officials. I add my thanks to them, because it is much easier to reduce the broad principles of legislation than to carry out the detailed and hard slog of drafting a Bill and of searching for the many other Acts which must be brought into line with it. I know that Mr. Douglas McCreadie and his colleagues, with whom my hon. Friend has worked closely, will be grateful for his kind words.

The Government welcome the Bill and hope that it reaches the statute book without a last-minute hitch. It demonstrates the Government's willingness to listen to and develop sensible proposals for greater freedom of information. I congratulate my hon. Friend on the sterling work that he has done.

[Mr. William Waldegrave]

Of course, we all know how the careers of those who begin their parliamentary careers by introducing legislation on this subject develop. I wish my hon. Friend the success that he deserves as a result of this work.

Question put and agreed to.

Lords amendment: No. 2, in page 9, leave out lines 5 to 15 and insert—

"

(a) specifying those powers of the council which, for the time being, are excercisable from time to time by officers of the council in pursuance of arrangements made under this Act or any other enactment for their discharge by those officers; and

(b) stating the title of the officer by whom each of the powers so specified is for the time being so excercisable;

but this subsection does not require a power to be specified in the list if the arrangements for its discharge by the officer are made for a specified period not exceeding six months."

11.45 am

Mr. Squire: I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Deputy Speaker: With this, it will be convenient to discuss Lords amendment No. 8.

Mr. Squire: The amendments are simply drafting changes. Clauses 1 and 2 insert respectively into the Local Government Act 1972 and the Local Government (Scotland) Act 1973 new sections 100G(2) and 50G(2). They require that a register be maintained of powers exercisable on a contingency basis by officers on behalf of the council. Such amendments bring the provision into line with the wording of the 1972 and 1973 Acts, which refer not to delegation but to arrangements for the discharge of functions.

Question put and agreed to.

Lords amendment No. 3 agreed to.

Lords amendment: No 4, in page 12, line 10, at end insert—

"*(f)* a combined fire authority".

Mr. Squire: I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Deputy Speaker: With this, it will be convenient to take Lords amendments Nos. 5, 6 and 15.

Mr. Squire: Amendment No. 4 extends the Bill to cover combined fire authorities, which may be constituted in England and Wales as bodies corporate under sections 5 and 6 of the Fire Services Act 1947. No such authorities exist at present, but they could be formed in the future to cover two or more counties. It seems sensible for the Bill to provide for this contingency and thus cover all fire authorities, existing and potential. It is consistent with the Bill's application to police authorities, which are all covered, including combined police authorities as bodies corporate under the Police Act 1964.

Amendments Nos. 5, 6 and 15 are consequential. Amendment No. 6 corrects a slight error in the Bill as it left the House of Commons. It removes the words "and the", which were inadvertently left hanging in the air in section 100G(1)*(a)*, as applied by section 100J(4)*(b)*. This provision requires the maintenance of a register of members of joint boards or joint committees.

Question put and agreed to.

Lords amendments Nos. 5 to 9 agreed to.

Schedule 1

EXEMPT INFORMATION

Lords amendment: No. 10 in page 27, line 16, leave out paragraph 13 and insert—

"13. Information which, if disclosed to the public, would reveal that the authority proposes -

(a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or

(b) to make an order or direction under any enactment."

Mr. Squire: I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Deputy Speaker: With this, it will be convenient to take Lords amendments Nos. 11, 12 and 14.

Mr. Squire: These are important amendments. Amendment No. 10 substitutes a new paragraph 13 in respect of part 1 of schedule 12A. Amendment No. 12 substitutes an identical new paragraph in respect of the equivalent Scottish provision, which is paragraph 13 of part I of schedule 7A. In each case, the paragraph is qualified by paragraph 6 of part II of the appropriate schedule.

As amended, paragraph 13 of schedules 12A and 7A classes as exempt information which, if disclosed to the public, would reveal that the authority proposes either to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or to make an order or direction under an enactment.

The paragraph is subject to the new qualification in paragraph 6 of part II of schedules 12A and 7A. The purpose of paragraph 13 is to enable a local authority to consider the case for a notice, order or direction and reach a decision on the matter without the person who would be affected by it becoming aware of it in advance, in a case where that person might, as a result, be able to take steps to defeat the authority's purpose. The obvious example is of demolishing a building which was to be the subject of a building preservation notice. Hon. Members will accept that it would be wrong to allow a person who may be thus affected to frustrate the intentions of the authority, assuming that it took such a decision in an ordinary committee.

The amendment broadens paragraph 13 to include circumstances where the authority proposes to make an order or direction under any enactment. This is because the principle behind paragraph 13 can apply to the making of an order or direction as to the serving of a notice. Inclusion of the words

"under or by virtue of which requirements are imposed on a person"

in *(a)* has narrowed the term "notice". It is unnecessary to include within the provision notices that merely inform the recipient of some matter as distinct from requiring him to do, or not to do, something. For example, a notice served on an owner or occupier saying that a compulsory purchase order had been made would not be covered, because there would be no particular advantage in obtaining that information if one could do nothing with it in advance of the decision.

Paragraph 13 does not confer new powers on the local authority to impose burdens or restrictions on citizens. It is merely designed to prevent existing powers being rendered potentially ineffective through premature disclosure as a result of the provisions of the Bill.

Amendments Nos. 11 and 14 substitute a new qualification in respect of paragraph 13 of part I of the schedule. The qualification provides that information falling within paragraph 13 of part I is exempt information if and so long as disclosure to the public might afford an opportunity to a person affected by the notice, order or direction to defeat the purposes, or one of the purposes, for which the notice, order or direction is to be given or made. The new qualification is in line with the principle behind new paragraph 13 of part I. It means that the local authority has discretion to close a meeting under paragraph 13 of part I only where premature disclosure of information to the public might afford an opportunity to the person affected to defeat the purpose of the notice, order or direction. The information will not be exempt once the notice, order or direction has been served or made.

Question put and agreed to.

Lords amendments Nos. 11 and 12 agreed to.

Lords amendment: No. 13, in page 31, line 29, leave out

"or the subject matter of the collective agreement"

Mr. Squire: I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Deputy Speaker: With this it will be convenient to take Lords amendments Nos. 16 and 17.

Mr. Squire: These are simply tidying-up amendments. Amendment No. 13 corrects a slight mistake in the Bill as it left the House of Commons. The words

"or the subject matter of the collective agreement"

were, as the result of an amendment, left stranded at the end of a paragraph that no longer deals with labour relations matters. The amendment merely removes them. Amendments Nos. 16 and 17 are of a similar nature.

Question put and agreed to.

Lords amendments Nos. 14, 15, 16 and 17 agreed to.

Sexual Offences Bill

Order for consideration of Lords amendments read.

11.53 am

Mr. Tony Marlow (Northampton, North): On a point of order, Mr. Deputy Speaker. I beg to move, That further consideration of the Lords amendments be now adjourned.

I do so because this Bill, more than most private Members' Bills, embodies matters of great seriousness. It is a far more deep and detailed measure than most of the private Members' Bills with which we deal.

I raise this point of order because of the time that has been available. When the Bill was last in this House, my hon. Friend the Under-Secretary of State for the Home Department properly said that he would arrange for a debate on importing into the Bill the concept of "persistently", such that it would not be an offence if something happened casually. Only if somebody were persistently pursuing a course of action contrary to the Bill would that be an offence. That debate was duly held in the other place and in Committee there, and it was decided that the Bill would be better with the concept of "persistently". That was the issue of principle debated and decided in the other place.

As a result, the rest of the Bill became somewhat incoherent. I do not mean any abuse by that, but the rest of the Bill did not run properly and therefore other amendments were needed. The other place tabled amendments on Third Reading. Its intention was to put the Bill in order, but at the same time another concept was introduced into the Bill, and that was "persistently" or by causing "annoyance" or "nuisance".

These new concepts in the Bill have not been debated in this place. This is a part of the law under which, if the wrong person is picked up, charged and given publicity, it will have the severest effects on his personal relationships, social life, job and reputation. Therefore, we should take the Bill seriously.

The other place debated the amendment last night and introduced the two new elements into the Bill. It concluded its debate at 33 minutes past 8 last night. This is a deep and important issue. It is a matter that touches closely on the civil liberties of many of our citizens. The Bill gives additional powers to the police. I am not saying that that is wrong, but, before the House agrees to this measure, it should have proper notice.

Many right hon. and hon. Members are concerned about this issue. Quite rightly, they are concerned to get the Bill on the statute book, but they are concerned also that the Bill does not put their constituents at risk. We may have the right amendments now, but, with the best will in the world, the other place deciding at 8.33 last night what to put in the Bill leaves no time for right hon. and hon. Members, first, to appraise themselves of what is happening, secondly to discuss it with their constituents, thirdly to take advice about what is happening and, fourthly, to prepare any argument that they might wish to bring before the House.

I plead with you, Mr. Deputy Speaker, that, in the constitutional interests of the House and in the interest of how we discuss legislation, whatever the rules of order may say, we should not proceed with the Bill until hon. Members are fully appraised of what is happening.

This is the last day for private Members' Bills. However, the Government have participated on this Bill.

[Mr. Tony Marlow]

I am sure that, as they have taken an interest, time could be made available for a debate to be held later on the subject so that the sensitive issues can be properly discussed. I plead with you, Mr. Deputy Speaker, and put that point to you.

Mr. Deputy Speaker (Mr. Ernest Armstrong): I have listened carefully to the hon. Gentleman's submission, but I cannot accept the motion. We must get on with the business.

Clause 1

SOLICITING OF WOMEN FROM MOTOR VEHICLES FOR THE PURPOSE OF PROSTITUTION

Lords amendment: No. 1, in page 1, line 6, leave out from "(1)" to end of line 7 and insert

"A man commits an offence if he solicits a woman (or different women) for the purpose of prostitution—"

Miss Janet Fookes (Plymouth, Drake): I beg to move, That this House does agree with the Lords in the said amendment.

Mr. Deputy Speaker: With this, it will be convenient to take Lords amendment No. 2, in page 1, line 11, at end insert

"persistently or, subject to section 5(5A) below, in such manner or in such circumstances as to be likely to cause annoyance to the woman (or any of the women) solicited, or nuisance to other persons in the neighbourhood."

Amendments to the Lords amendment: *(a)*, in line 1, leave out from 'persistently' to end of line 4.

(f), in line 4, after 'or', insert 'serious'.

Lords amendments Nos. 3 and 5.

Miss Fookes: As we are debating several amendments together, it may be for the convenience of the House if I read out the new form of the clause, assuming that all these Lords amendments are incorporated into it. It will read as follows:

"A man commits an offence if he solicits a woman (or different women) for the purpose of prostitution—

(a) from a motor vehicle while it is in a street or public place; or

(b) in a street or public place while in the immediate vicinity of a motor vehicle that he has just got out of or off, persistently or, subject to section 5(5A) below, in such manner or in such circumstances as to be likely to cause annoyance to the woman (or any of the women) solicited, or nuisance to other persons in the neighbourhood."

Contrary to what my hon. Friend the Member for Northampton, North (Mr. Marlow) has just said, all these points about nuisance and annoyance were debated extensively in Committee here. My hon. Friend was not a member of that Committee, nor, so far as I know, did he seek to be a member of it. It is not correct, therefore, for him to say that this has in some way been sprung on the House of Commons in an injudicious or hasty fashion.

12 noon.

Mr. Marlow: I did not say that anything had been done hastily or injudiciously. Nor did I say anything which I thought would put the Bill in jeopardy. I do not mean to be critical or aggressive towards anybody today. My hon. Friend will realise that not every hon. Member is on every Committee. Hon. Members may have other activities to attend, or they may be on other Committees. It is not possible for all hon. Members to be on all Committees. Nor should it be possible for that to be the case.

I do not think my hon. Friend is saying that, because an hon. Member is not on a Committee—given that we all have constituency interests and are concerned for the welfare and civil rights of all our citizens—he should not take an interest in a matter. If, therefore, my hon. Friend was making an inference in what she said, I hope that she will withdraw it.

Will she, in explaining this group of amendments, say whether amendment No. 2 applies to subsection (1)*(a)* and *(b)* or only to *(b)*?

Miss Fookes: I was alluding only to what I believe are established facts. I meant no other inference.

Before dealing with points that hon. Members may wish to raise, I will outline the purpose of the Lords amendments, which I accept, and then deal with any queries arising out of them. Although the Lords amendments substantially change the original clause about kerb crawling, they still contain two points which were important to me from the outset.

First, there is a specific offence applying to those who use motor vehicles, as widely defined, for the soliciting of women for the purpose of prostitution. This is such a nuisance in certain areas of some big cities that it is important that that point should be at the heart of the Bill in clause 1.

Secondly, the principle—again, a principle to which I attach great importance—is maintained that, where a woman has a single approach made to her by a kerb crawler and is thereby upset and annoyed, she has redress under the clause.

The other place, however, attached two safeguards, which are alternative safeguards, and I hope that they will allay the misgivings that were expressed by hon. Members on both sides of the House when the clause was presented in its original form.

The first is that one will have to show that the man was soliciting for the purposes of prostitution, which, in my view, is a severe test in any case. In addition, the word "persistently" is included—either one woman or more than one woman—and that deals effectively with the point made by those who felt that an innocent man—perhaps asking the way, which seems to be the classic example that we are given—might be accused, tried and perhaps convicted unjustly. I appreciate why, in forming a new criminal clause, hon. Members were seeking to safeguard the innocent. The element of persistence does so.

The second alternative test or safeguard reads:

"in such manner or in such circumstances as to be likely to cause annoyance to the woman . . . or nuisance to other persons in the neighbourhood."

Again, that deals effectively with the bitter grievances of residents who find that their ordinary lives are disrupted by kerb crawling by numbers of different men coming into the area. I hope that it will give much needed relief to areas such as Bedford hill, parts of Tooting, Southampton, parts of my constituency of Plymouth, Drake and other areas of the country. They have looked for redress for long enough. I hope that they will find it in the way in which the clause is now formulated.

Also of interest to the House—this also applies to the question of additional safeguards—is the addition that has been made in the other place about the Crown prosecution service. When we discussed the measure before it went to the other place, I pointed out that the independent prosecution service would afford an additional safeguard against over-zealous police prosecuting a man who might be innocent. I did not think that that was a great risk, but I accept that others thought otherwise.

The result of that matter being dealt with as part of this group of amendments is that the new service, which will be independent of the police, will have to be in operation before that part of clause 1 can be effective. I understand that it might come into operation at different places at different times, but the Minister will be able to give more authoritative information about that than I, a Back-Bencher, can do. This will provide a final and effective test and safeguard against any wrongful accusations or trials in court.

I will not delay the House by dealing with one amendment which is consequential on another.

Two amendments standing in the name of my hon. Friend the Member for Northampton, North have been included in this group. His amendments would toughen up the clause to such an extent that it would be almost impossible to bring any prosecution with any chance of success. To that extent they are unacceptable, but I will explain in more detail why that is the case.

My hon. Friend's first amendment suggests that in place of "nuisance" the term "serious nuisance" should be in the Bill. I gather that over the years there has been a clear understanding in the courts of what "nuisance" means and that it is not to be taken lightly. To import the additional adjective "serious" would, in my view, restrict the operation of the clause to such an extent as to make it unworkable. For that reason, I could not accept it, although I understand the reason for my hon. Friend wishing to introduce it.

I have explained why the annoyance or nuisance test is useful and why it meets the wishes of residents and women in particular areas who are subjct to the nuisance. To remove it would weaken the Bill unacceptably. Therefore, I must advise the House not to accept the two amendments standing in my hon. Friend's name.

The new package, to which their Lordships gave considerable time and effort, represents a reasonable compromise between those, like myself, who were anxious to see that an effective clause was in place to deal with the nuisance of kerb crawling and the objections of those who felt that innocent men might inadvertently be caught up in a new criminal offence.

Mr. Marlow: My hon. Friend has eloquently set out the position. She will recall that I asked her whether amendment No. 2 covered both paragraphs *(a)* and *(b)* of subsection (1).

Miss Fookes: The plain answer to my hon. Friend's question is yes, it does.

I think that I have covered adequately the various points of importance in their Lordships' amendments. I warmly commend them to the House.

Mr. Marlow: First of all, can I draw attention to the remarks of Lord Wigoder in another place? The Bill has gone through the other place, and we are all desperately trying to rewrite the whole of it. The point that I am making is that we have received from their Lordships—I make no complaint about this—a Bill that has been substantially changed. What we are here to debate is whether the changes are the right changes and whether or not they produce the right Bill.

Can I congratulate my hon. Friend the Member for Plymouth, Drake (Miss Fookes) on bringing this measure to the House and, despite alarms, scares and ups and downs, getting it to this stage? I think that we all agree that in some parts of the country there is a very severe nuisance caused and areas of considerable blight as a result of the habit of kerb crawling that has grown up. I wonder whether it would be appropriate to stress this by referring to some remarks made in Committee by my hon. Friend the Member for Birmingham, Edgbaston (Dame J. Knight). My hon. Friend drew attention to what it is like to live in a red light district. She went on to say that she was pleased to say that she had never had the misfortune to do so herself. However, it appears that she has received many complaints from constituents. She said:

> "When kerb crawlers have created a red light district it is as if a blight were over the whole area. I cite the example of a woman who was waiting outside her daughter's school to bring her home. She was accosted by two prostitutes who told her, in the foulest language imaginable, to get off their patch . . . That happens constantly in that sort of area. A young girl was called over to a car by a man who was kerb crawling. The driver exposed himself, which frightened the child and she ran away." —[*Official Report, Standing Committee C*, 27 February 1985, c. 72.]

These are the sort of things that happen in these areas. I have no doubt that in such areas other forms of crime thrive as well. If my hon. Friend's Bill will rid our country of this blight, I think that we should all be grateful to her.

There are areas where prostitution takes place. There is an element in Northampton but not so much in the area of the town that I represent. I do not think that it has reached the level that was described by my hon. Friend the Member for Edgbaston in Committee. I think that in those circumstances — the police will probably agree — the police have sufficient and adequate powers to deal with the problem. When the problem has reached the proportion that makes it a nuisance, under the existing law, they have managed to deal with that nuisance. However, there are other areas and those other areas do need, perhaps, the protection of the law; they do not need the protection of morals. I do not think that our constituents are asking us here to take a moral view. They are asking us to prevent abuse and nuisance. They are asking us to do it in such a way that we are not in danger of introducing injustices.

I know that the hon. Member for Hammersmith (Mr. Soley), who is on the Opposition Front Bench, is quite rightly concerned about police powers. I know that he will

[Mr. Marlow]

be looking at the Bill as it is likely to be amended and as it has been amended by their Lordships to ensure that any additional powers that are given to the police are necessary powers.

12.15 pm

This is an ambitious area for a Private Member's Bill. It is not an area that is completely devoid of controversy. Where we have an area that is not devoid of controversy, we must be very careful, obviously, how we proceed, particularly when a Private Member's measure is involved.

One thing that has obviously concerned me and my hon. Friend the Member for Derbyshire, West (Mr. Parris) is the possibility of injustice taking place. In this particular area, it is not just a matter of somebody going to court and being found guilty when they are innocent. Of course, that is bad enough but that is not the injustice that we are basically concerned with. In this particularly sensitive area one is concerned about the possibility that an innocent man may be picked up, may be charged, may be brought to court and then found to be innocent. The fine that might have been involved would be as nothing compared with the effect of that charge, innocent though he be, on his reputation. It could have a catastrophic effect on a man's marriage. It could have a catastrophic effect on a man's family life.

Mr. Deputy Speaker: I am listening with great interest to the hon. Gentleman but he must relate his remarks to one of the amendments that is before the House. I invite the hon. Gentleman to do so.

Mr. Marlow: The amendment that I am referring to, Mr. Deputy Speaker, is Lords amendment No. 2, which introduces the concept of nuisance or annoyance. I seek leave to speak also to my amendments, which are (a) and (f). What we have in amendment No. 2 is that a man will commit an offence if from a motor vehicle or whatever he

"persistently or . . . in such manner or in such circumstances as to be likely to cause annoyance to the woman (or any of the women) solicited, or nuisance to other persons in the neighbourhood."

We had a long debate in the Chamber—I think that a similar debate took place in Committee — about the inclusion of the word "persistently". My hon. Friend the Under-Secretary of State felt that to include the word "persistently" would be to weaken the Bill and to make it to that extent inoperable. However, he did agree that the problem had been debated in their Lordships' House. We are, of course, very grateful to them for that. Their Lordships have a great deal of expertise on this subject. There are many Law Lords and lawyers in another place who have been involved in the courts and know the problems that come from the courts. Their Lordships decided in Committee that "persistently" should be imported into the Bill.

The Bill then had problems, so further amendments had to be introduced. My hon. Friend the Member for Drake has said that the amendment that suits the purposes of the Bill is No. 2. We now not only have "persistently"—it is not "persistently and" but "persistently or". The "or" is

"in such circumstances as to be likely to cause annoyance to the woman (or any of the women) solicited, or nuisance to any other persons in the neighbourhood."

I am concerned to hear from my hon. Friend the Minister precisely what is meant by that clause. I am particularly concerned about the safeguard

"subject to section 5(5A)".

I am sure that when my hon. Friend the Minister catches your eye, Mr. Deputy Speaker he will have quite a lot to say about that.

The amendment reads:

"in such manner or in such circumstances as to be likely to cause annoyance to the woman (or any of the women)".

I hope that my hon. Friend will be able to tell the House why we have to include the words "to be likely" and why it cannot just be left

"in such manner or in such circumstances as . . . to cause annoyance".

In other words, why cannot we have a provision that makes it an offence actually to cause annoyance?

What is likely to cause annoyance to one individual is quite different from that which is likely to cause annoyance to another individual. Some people are happy-go-lucky, carefree and relaxed. Some people are a little nervous, a little concerned and a little agitated. By their nature, they are more likely to feel an annoyance than others. What construction would the courts normally put on this? Do they expect a reasonable person in a reasonable state of mind to be reasonably annoyed? Some people, even with the best will in the world, are fairly fractious.

Amendment No. 2 states:

"or nuisance to other persons in the neighbourhood."

What is "nuisance"? My hon. Friend the Member for Drake told us that it was a well-known concept in the courts, but I am not a lawyer. How grave does a matter have to be for it to be a "nuisance"? If a dog fouls a pavement outside the gate of one's house, is that a nuisance? If someone drives a car slowly up the street in which one lives, is that a nuisance? If a man parks his car in one's drive and spends 15 minutes chatting up five prostitutes and making leery remarks, and the reactions between the man and the prostitutes are offensive to people in the neighbourhood, that is obviously a nuisance. If many people are bobbing around a district looking for prostitutes, jamming the streets, making noises and blowing petrol fumes around the place, that is a nuisance. Where does one draw the line?

I have tabled an amendment which refers to a "serious" nuisance, because I can understand that concept. A serious nuisance causes distress and inconvenience and is a factor that creates a blight in an area. I await the comments of my hon. Friend the Under-Secretary of State with interest.

The Bill has been massively and properly amended by the other place. It is a sensitive issue. If the legislation has been wrongly drafted, the lives and reputations of innocent people could be blighted. The Bill is necessary, and I look forward to hearing the explanations of my hon. Friend the Under-Secretary of State.

Mr. Matthew Parris (Derbyshire, West): The first debate in Standing Committee was on my amendment No. 2 which would have inserted after the word "prostitution"

"in a manner likely to cause nuisance or offence."

The amendment was fully debated in Standing Committee, but I was not able to persuade hon. Members that it was a sensible improvement.

The next debate was on whether the element of persistence should be imported into the Bill. My hon. and learned Friend the Member for Folkestone and Hythe (Mr.

Howard) and I argued that it should be. We were unable to persuade the Standing Committee that that was the right change to make.

The House of Commons agreed to let the other place take another look at the matter, and it has done so. Their Lordships have imported into the Bill both the element of persistence and the element of likelihood to cause nuisance or offence. It would be churlish of me to say that that does not represent precisely the improvement that I wanted.

My hon. Friend the Member for Northampton, North (Mr. Marlow) is a little unhappy about the element of likelihood to cause nuisance or offence. I understand his fears, but we proposed the importation into the Bill of the element of persistence not because there was an inherent viciousness in persistence which could not attach to a single act but because a person, by being persistent, was more likely to cause nuisance or offence. If the element of persistence is included, there is less likelihood of an innocent person being prosecuted.

If it has to be shown that a person is causing nuisance or offence, that reduces the possibility of an innocent man being prosecuted. In that case, we must clearly define just what it is about persistence that we seek to proscribe. We seek to proscribe the offensive potential of persistence. Although I understand the point put by my hon. Friend the Member for Northampton, North, I do not object, for those reasons, to the importation of a likelihood to cause nuisance or offence or to the importation of the element of persistence.

Mr. Marlow: One tries to be careful in this place, and I do not think that I ever said that I was against the importation of a nuisance or annoyance. I was concerned about how this provision was made. The matter should be properly debated and given the safeguards of new section 5(5A). This is a matter on which I need significant reassurance from my hon. Friend the Under-Secretary of State. Although my hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) and some of my other colleagues are in the Chamber, many of our colleagues are not. It is up to us on their behalf to take an interest in what is happening.

Mr. Parris: My hon. Friend is right. We need reassurance on that point. If my hon. Friend's amendment (b) had been selected, I would have supported him, if necessary in the Division Lobby.

We might seek some reassurance on the likely prosecuting policy of the new prosecution service. I understand that there have been discussions as to the type of advice that might be given. I shall be interested to hear what my hon. Friend the Under-Secretary of State says on this matter. He might well offer my hon. Friend the Member for Northampton, North and me the reassurance that we seek.

I would not go as far as Lord Denning did in the other place on Third Reading when, referring to the Crown prosecutor, he said:

> "He will not prosecute an innocent man, or anything of that kind." — *Official Report, House of Lords*, 3 July 1985; Vol. 465, c. 1281.]

His contribution to the evolution of English jurisprudence has been immense — and I do not doubt that it will continue—but I think that he goes further than even the most radical of us would wish to go. I would not assume that, because the new Crown prosecutor prosecutes, the man involved is to be taken as guilty. I hope that the House does not assume that either.

We were unhappy about a number of aspects of the Bill in Committee, on Report and on Third Reading. We let the matter go to the other place for another consideration. Their Lordships have in large measure made the changes that my hon. Friend the Member for Northampton, North, my hon. and learned Friend the Member for Folkestone and Hythe and I sought. It is right to acknowledge that the Bill has been greatly improved in the other place, that these amendments are right and that, taken all in all, with these amendments the Bill will be a useful addition to the statute book.

Mr. Clive Soley (Hammersmith): The hon. Member for Derbyshire, West (Mr. Parris) got into considerable trouble in Committee and elsewhere for pushing hard on the door that he has just said has opened a little. I was involved in putting forward amendments that referred to "nuisance". The hon. Gentleman got into a great deal of trouble while I did not — I suspect because I am a member of the official Opposition while he is a member of the unofficial opposition. This supports the old theory that one's opponents are in front and one's enemies are behind. We had the unedifying sight of the Conservative party attacking its own members for not sticking to the party line.

12.30 pm

In fairness, the hon. Member for Derbyshire, West has pursued the issue determinedly and in a principled way. I stick by my initial position that I put on the Floor of the House and in Committee — that we are trying to reach the right balance between protecting the rights of individuals and minimising the risk of wrongful conviction with the rights of people in some parts of the country who suffer from men driving or walking around their areas trying to find women whom they think to be prostitutes. Those areas tend to have many prostitutes. It was recognised that that was a problem.

I still take the view, as I did when we began to discuss the Bill, that we are attempting to deal with a complex problem by dealing with only a small part of it. As I have said on a number of occasions, the problem is not one of prostitutes per se. All hon. Members know that it is not and never has been an offence to be a prostitute. It is an offence to solicit for prostitution in a public place.

We need a much more detailed programme to enable prostitutes to meet their clients without causing a public nuisance. That is the core of the problem that we still have not resolved. At the same time, I recognise, as Members on both sides of the House do, that there has been a problem in some limited parts of the United Kingdom.

One of my anxieties, which is shared by a number of my hon. Friends and one or two Conservative Members, including the hon. Member for Derbyshire, West, is that we are legislating for England and Wales as a whole on a problem that affects parts of the country only. That is always a danger that we should avoid if possible. I made suggestions in Committee and on the Floor of the House as to how we should deal with the matter, but it is not appropriate for me to go over that ground again.

The House of Lords has, to some extent, come to our rescue. We were struggling to find a form of words which introduced the concept of nuisance to people who lived in the areas that we were discussing. I put it to the Minister

[Mr. Clive Soley]

that I thought it possible to find a form of words which would enable residents who felt that there was a nuisance to give evidence to a court or, alternatively, some form of drafting which would enable that nuisance to be made explicit in the Bill. The House of Lords has managed to do that.

In doing so, the House of Lords has introduced the concept of persistence. The Opposition have mixed views on the issue of persistence. There is a feeling that a person should not have to commit an act more than once for it to be an offence. If something is an offence, it is an offence on the first occasion. The act should not have to be committed two, three, four or more times to prove that it is an offence. That has always been an argument against persistence.

We have the problem because "persistence" was introduced in the concept of prostitution in the first instance. It is always instructive to bear in mind that that was done with good intentions, as so often in this place — to protect women, it was thought, from wrongful conviction. The idea was that a woman should be warned at least three times by the police before she could be charged with being a prostitute. That has resulted in women being taken before the courts and described as common prostitutes. To be described in court as a common prostitute, it was accepted that one had already been warned three times about one's behaviour. We are now introducing the concept of a "common kerb crawler". That is the problem that arises from using the word "persistent". It shows the difficulty of legislating on this matter coherently and consistently.

I believe that the Lords amendment improves the Bill, for many of the reasons given by the hon. Member for Derbyshire, West. I am still not happy with it, for all the reasons that I have given previously, but I accept that it may be the only way we have of dealing with the problem in the parts of the country that have been mentioned.

I look forward to hearing the Minister — if I may have his attention for a moment while I refer to him. There is anxiety about whether the Bill will be used wrongfully. Perhaps the Minister will give the House a commitment that the figures showing the number of people arrested, charged and convicted will be made available to the House so that we can see how the Act works over a period.

I understand that the Minister is also prepared to give a commitment to the House about the guidance given to the prosecution service. With the Lords amendments and those commitments from the Minister, I do not wish to delay the Bill's passage.

The Parliamentary Under-Secretary of State for the Home Department (Mr. David Mellor): May I first say how grateful I am for the helpful way that hon. Members have addressed the task of considering the Lords amendments. I shall try to respond as fully and cogently as I can to the points that have been raised, because it is important that those matters are considered with care. As we all acknowledge, the House should never take lightly the creation of a new criminal offence. Given the careful consideration in both Houses, no one can say that it has been taken in anything other than a most careful way.

Before getting down to some of the details, I think that it would be churlish not to pay the warmest of tributes to my hon. Friend the Member for Plymouth, Drake (Miss Fookes) for the skill and determination with which she has taken the Bill through the House——

Mr. Ian Mikardo (Bow and Poplar): And a bit of luck.

Mr. Mellor: I was going to come to that.

My hon. Friend the Member for Drake has also kept in touch with the Bill's progress in the other place, where it was piloted through by a distinguished predecessor, Lady Vickers, who for many years was a most distinguished representative of the city of Plymouth, as my hon. Friend is now. I welcome the hon. Member for Bow and Poplar (Mr. Mikardo) to his place because he has played a constructive role in the discussions. As he said, my hon. Friend also required a bit of luck, but a bit of luck in a good cause is something that we can all welcome. In the end, I suspect that one of the principal reasons why hon. Members wanted the Bill to go through was not simply that it addressed a serious problem in a serious way, but the respect and regard that they have for my hon. Friend and their wish that she should be gratified in her legitimate desire to change the law in this sensitive area.

When the Bill was conceived, it was designed to create three different offences. That followed careful examination by the Criminal Law Revision Committee of the present state of the law on sexual offences, particularly in relation to the harassment of women in public places. The committee took seven years to consider those matters. We recognise the difficulties that faced the committee in making judgments that are not just legal — I remember the point made by the hon. Member for Bow and Poplar on that. It is not just a lawyers' paradise. We are making social judgments, too. It was in recognition of that that the Policy Advisory Committee on Sexual Offences was established, which consisted of people from social services and education, probation officers, psychiatrists, and so on, who were intended to broaden the ambit of the discussion and ensure that the legal discussion did not just fasten on the narrow lawyers' interest, but took account of the wider social implications.

I recognise the matter that the hon. Member for Hammersmith (Mr. Soley) has been at pains to point out throughout the Bill — that, while the Criminal Law Revision Committee is considering the whole of the law on sexual offences, the Bill deals with only a narrow part of it. I understand why he and my hon. Friend the Member for Derbyshire, West (Mr. Parris) have said on several occasions that it would have been better if the Bill had dealt across the board with the criminal law on sexual offences, particularly the vexed question of the extent to which prostitution may be permitted in today's society. In an ideal world, I feel sure that that is what we wanted to do. However, so difficult is the consideration of the law on prostitution that it has not even been possible yet for the Criminal Law Revision Committee to conclude its deliberations on that matter.

The difficult decision that my hon. Friend the Member for Drake had to take, and with which we in the Home Office assisted her, was whether the problem of kerb crawling and some of the associated difficulties had reached such a peak that it could not be left on the shelf to await the receipt of further advice. The inevitable difficulty, particularly in a congested Department such as the Home Office, is finding a place in the legislative programme for a major and full-scale reform.

I felt that there was an element of urgency about the matter, which was impressed on me by the hon. Member for Tooting (Mr. Cox), who is not here but who has taken a great deal of interest in the matter as the hon. Member representing the Bedford hill area. In an Adjournment debate in February last year the hon. Gentleman raised the problem of kerb crawling in his and other areas in very strong terms. He said that, having banged on the door of just about every Minister at the Home Office, he believed that action could no longer be delayed. On that basis—rightly, as I am sure the House agrees—I asked the Criminal Law Revision Committee if it could bring forward its consideration of the kerb crawling aspect of the law on prostitution so that its report would be available in the summer of 1984. If any hon. Member was then minded to bring in a Bill on the subject, as my hon. Friend the Member for Drake subsequently was, the House would be able to pass a law on the matter far more quickly than would otherwise have been possible. I am very glad that the Criminal Law Revision Committee was able to do that and that its advice was set out in such straightforward terms.

My hon. Friend the Member for Drake then had to decide whether to follow the advice of the Criminal Law Revision Committee or whether to take a different approach to the problem. She was persuaded—like the Criminal Law Revision Committee and, I believe, the whole House—that the time had come to address the problem of kerb crawling and that one could no longer take the attitude taken in the 1957 report that the problem had not yet become so serious and commonplace as to justify making kerb crawling a criminal offence. The balance of convenience has plainly changed and the Criminal Law Revision Committee was right to recommend a change in the law.

The question which aroused controversy both here and in another place was how the law should be changed to strike the difficult balance between providing the relief from this problem that women in many areas undoubtedly need and taking account of the difficulties which arise in sensitive matters of this nature as we have done on previous occasions by introducing the concept of persistence into other statutes relating to sexual behaviour in recognition of the fact that the risk of a miscarriage of justice, which may arise under any criminal statute, is perhaps a greater risk in this area of the law.

My hon. Friend the Member for Drake elected to follow the advice of the Criminal Law Revision Committee and to create three offences. The first deals clearly and unequivocally with the problem of kerb crawling and makes it clear that if a man solicits a woman from a motor vehicle for the purpose of prostitution an offence is committed. That obviates the need to rely on the rusty old blunderbuss of the Justices of the Peace Act 1361 which, apart from many other drawbacks, can result only in binding over. The intention is not to jam the courts with kerb crawlers but to send out a clear message that kerb crawling is a criminal offence and thus to deter many people who might have indulged in the practice while it remained hedged about with equivocation.

It was recognised that in the case of offences occurring in the street but unrelated to kerb crawling by motor vehicles a requirement of persistence was appropriate, as is already the case in the parallel provisions relating to homosexual soliciting. The fact that persistence is required in the case of people on foot but not in the case of those soliciting from motor vehicles has struck some hon. Members on both sides of this House and in another place as rather odd and there has been legitimate and persistent debate on that aspect at every stage of the Bill. I make no complaint about that, and I know that others will make no complaint about the fact that I have a very firm view on the matter to which I still hold.

The revision committee then considered the more difficult problem of whether solicitation of women in a manner likely to cause fear, irrespective of whether it was related to prostitution in a street environment, should be an offence. It recommended that it should, and my hon. Friend the Member for Drake took up the matter. That was far and away the most difficult proposition among many difficulties in the Bill. It has been recognised generally here and in another place that, although the advice of the revision committee is worth while, we were not wholly persuaded that it would be appropriate to broaden the scope of the Bill to include cinemas and other places where, perhaps, the case for change is not so clear-cut.

Because of the extraordinary happenings on those two Fridays a couple of months ago when the Bill died and was revived, we did not take out clause 3. It was taken out in another place and we shall have an opportunity to give that our blessing later.

12.45 pm

I am glad that there was discussion of clause 4—the increase in penalties — in another place because the matter has not been subject to amendments, although some have been proposed. It is a grave and potentially dangerous anomaly that the penalty for indecent assault, which can be committed by a serious sex offender, is only two years. The courts have drawn attention to the fact that such a sentence is wholly inappropriate and that it could be in everybody's interests, including the offender, to confine an offender and to increase the penalty to 10 years.

The increase in the penalty for attempted rape from seven years to life imprisonment would, but for a proviso in the Criminal Attempts Act 1981, already be in place. That Act rightly took the view that, because the intention is always to commit the full offence, to be guilty of attempt, the intention must be more serious than the act. As the hon. Member for Bow and Poplar, who is nodding assent, knows, somebody can be convicted of murder if he intends to cause serious bodily harm but he cannot be convicted of attempted murder unless he intends to kill. On advice from the revision committee, the House took the view, in 1981, that the penalty for an attempt should always be the same as the penalty for the completed offence on the basis that that left the courts with proper discretion to sentence.

Attempted rape was left out of the 1981 Act because the revision committee was considering the merits of that offence. It was thought right to leave the matter as it was so that it could be taken up in a full-scale review of sexual offences, to which the hon. Member for Hammersmith looks forward. Time has passed and the pond has perhaps got a little murkier. It is not appropriate to leave this gap any longer. A dangerous sex maniac might not succeed in carrying out the full act of rape, but he might have such a history of offending that, having committed the rape, he would have been sentenced to life imprisonment.

As the Minister who deals with life sentence matters, I know that some of the most difficult cases on which to make a decision about release are not the homicide cases

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but the non-homicide cases in which people, when at liberty, have been driven to acts of ever-increasingly serious sexual misbehaviour. Without going into the matter in too much detail, it is surely an anomaly that in dealing with distinctions of millimetres on the question of when attempted rape becomes rape, the courts should have their hands tied. Therefore, I am sure that the changes that have been made will be widely welcomed.

We are principally concerned with clauses 1 and 2. I have made clear my view that to import any consideration of persistence or of nuisance and annoyance would weaken the impact of the Bill. My views were accepted in this House but not in the other place, although I was glad to see that that most distinguished of common lawyers, Lord Denning, took the opportunity in the debate — as obviously one hoped that he and others like him would — to make clear his view that that was the right approach.

The process of legislation, particularly on private Members' Bills, involves each of us giving the best advice that we can to the House, but if others choose to disagree and their view prevails, it is then up to us all to make the best that we can of the new arrangements, and certainly not to stand in the way of the Bill proceeding because it does not represent what one would personally regard as the best arrangement.

Their Lordships, having taken their decision about persistence, then made certain amendments which enabled the Bill to be a workable Bill. Therefore, I am not grudging in my acceptance of it or in my recommendation that we should accept it. I am warm in my feelings towards the Bill, although I would have been positively steaming about it if I had had my way entirely. But that is life.

In the debate in the other place the issue of persistence was considered. Several peers took part in the debate, some with legal qualifications, others without. However, we do not want our debates to become blighted with apartheid in the sense of Members having or not having legal qualifications. After the debate, by a majority of 33 to 26, the decision was taken to insert the word "persistently."

After that there were deliberations in the other place and also outside. I was glad that my hon. Friend the Member for Drake played some part in those deliberations. We tried to see whether, the decision having been taken that the element of persistence was needed, there was a case for introducing a parallel offence which, in a very specific case, would not require the element of persistence. We wanted to ensure that the Bill would be workable and deal with the central problem that had been troubling all of us so much.

There are two competing problems with which we are concerned. The first is the blight upon an area where prostitutes operate openly in the streets and where there is kerb crawling by potential clients. The prostitutes are happy about that but, obviously, not the rest of the community. Several hon. Members, particularly my hon. Friends the Members for Derbyshire, West and Northampton, North (Mr. Marlow), have had the quite legitimate concern that one single act could be misinterpreted by an over-zealous policeman. Inevitably, the prostitute herself would not be available to give evidence, being happy about the transaction, and it would be wrong to blight someone's prospects, career and future family life — matters to which my hon. Friend the Member for Northampton, North has referred eloquently today and on other occasions — on the basis of one equivocal incident. For that reason, it was felt necessary to have the clear safeguard that such an incident should have to happen twice.

However, having agreed with that view, their Lordships recognised in their intensive discussions that that would not deal with the other major problem that has caused us so much concern and led many people to want to change the law, which is the situation where the woman who is the object of the solicitation is not a prostitute, but an ordinary woman—one's sister or wife, or someone else's daughter—going home or to visit a friend and not dressed in a way that could be described as extravagant or sexually provocative.

Polls in Bedford hill and many other parts of the country showed that such women were regularly being propositioned, and their pleas for redress are every bit as intense as those of people who are embarrassed by the fact that their home street has become a haunt of known prostitutes.

If such a woman had been the subject of an unwarranted approach, probably in abusive and insulting terms, it would be wrong to require the same thing to happen to someone else before there were any means of redress. The recognition of that fact has united us. We have all been troubled about that matter, however we may differ about the ways of building in safeguards. I know that that aspect worries my hon. Friend the Member for Northampton, North, and my hon. Friend the Member for Derbyshire, West put it well in Committee when he said:

"I can see that to embarrass a woman gravely or to inconvenience her seriously may be enough of a crime to warrant prosecution. Many women, particularly those who live in London and in the areas where the problem exists, are inured to such solicitation and are probably no longer put in fear by it, simply because it happens so often, but that does not mean that it does not offend or inconvenience them, or that those who solicit should not be prosecuted."—*[Official Report, Standing Committee C*, 20 February 1985; c. 7.]

There was common ground in their Lordships' consideration of finding a way whereby innocent women —our wives, sisters or mothers; the hon. Member for Barking (Ms. Richardson) showed how catholic is the taste of some of these gentlemen when she recounted a personal experience of a kerb crawler—can be protected.

Equally, their Lordships wanted to be sure that vexatious and improper prosecutions would not arise. That is why the concept of nuisance and annoyance was exhumed, as so many parts of the Bill have been exhumed from time to time, and inserted in parallel with the concept of persistence, so that if nuisance is caused to persons in the neighbourhood or annoyance is caused to the woman, there is no reason why a criminal penalty should not ensue. That is the proposal which their Lordships ask us to accept.

There need to be safeguards. The fact that the words "nuisance" and "annoyance" have been inserted makes it virtually inevitable that there will have to be evidence from either the woman who was the victim of the solicitation or a local resident who clearly saw and heard what was going on. The safeguard is built in by the need to establish nuisance or annoyance and not merely the fact that the act of solicitation took place.

I appreciate that, as many hon. Members and noble Lords have said, perhaps we should take advantage of the recent creation, with all-party support, of an independent

prosecution system to ensure that, even more than anyone could claim today, there is an objectivity in the decision to take a case to court, given all the implications that follow from that and about which my hon. Friend the Member for Northampton, North spoke so eloquently. There is a case for providing that only in the most exceptional circumstances should a case under the nuisance or annoyance provisions proceed without a non-police witness being available.

As my noble Friend Lord Glenarthur pointed out, the Director of Public Prosecutions is ready, if the House thinks it appropriate, to give guidance to Crown prosecutors about the operation of this part of clause 1. The guidance would be along the lines that where the charge alleges annoyance to the woman solicited or nuisance to other persons in the neighbourhood, it should, save in exceptional circumstances, be supported by the evidence of someone other than a police officer, and, wherever possible, by that of the woman herself. I hope that my hon. Friend the Member for Northampton, North sees that as a step forward. It binds in to the point that I made clear to the hon. Member for Hammersmith when we last considered the Bill—that we shall monitor the number of cases that are put to the independent prosecution service as being worthy of prosecution, the number it decides to prosecute, and the number that result in conviction. Those three sensitive figures will show whether the Act is being properly applied.

1 pm

I agree with my hon. Friend the Member for Northampton, North that we should not put innocent transactions, such as asking directions, in jeopardy. We have had to strike a balance between wanting to protect women and wanting to protect men from unreasonable prosecutions. After all our efforts, I believe that we have struck that balance, and obviously I hope that hon. Members agree.

Before I deal with some of the detailed points raised by my hon. Friend the Member for Northampton, North, I wish to pay warm tribute, not merely to those in this Chamber who have helped to ensure the passage of the Bill, especially my hon. Friend the Member for Derbyshire, West who, having recognised how much progress has been made, spoke warmly in support of the proposition today, but to those in the other place who have played a leading role in ensuring, at some difficulty to the procedures of the other place, that the Bill was debated two nights running this week so that it could return to this House in time.

Lord Denning gave the wise advice that one would expect from the foremost common lawyer of the century. There was considerable assistance from the Opposition Front Bench, especially Lord Mishcon, who was ably assisted by Lord Elystan-Morgan, who was the most reluctant to accept the arrangements, but in the end was willing to do so. I am grateful to him for that, as I am to Lord Houghton, for whom I have a particularly high regard because of our joint work on animal welfare and experimentation—issues with which my hon. Friend the Member for Drake is also intimately concerned. He was undoubtedly unhappy about some elements of the Bill, but he determined that sufficient had been done to change it to his satisfaction. I salute him for a typically courageous and principled approach to the matter, which has been echoed by my hon. Friends the Members for Derbyshire, West and for Northampton, North. Lord Harris, a former Minister of State, Home Office, Lord Wigoder, a distinguished practitioner in criminal law, and, last but not least, Lord Monson all took part in intensive discussions and helped to bring the Bill through to this stage.

My hon. Friend the Member for Northampton, North has properly asked telling questions about what exactly the Bill means. I want to deal with his important and valuable points. He reminded us that clause 1 will read as follows:

"A man commits an offence if he solicits a woman (or different women) for the purpose of prostitution *(a)* from a motor vehicle while it is in a street or public place; or

(b) in a street or public place while in the immediate vicinity of a motor vehicle that he has just got out of or off, persistently or, subject to section 5(5A) below, in such a manner or in such circumstances as to be likely to cause annoyance to the woman (or any of the women) solicited, or nuisance to other persons in the neighbourhood."

The first point that we must make about that is that it creates two alternative ways of bringing the offence. The second point that should be emphasised is that, to show that what we say about the role of the independent prosecution service is not just window dressing — I strongly commend this point to my hon. Friend the Member for Northampton, North because it goes a long way to meeting his points about the innocent not suffering —clause 5(5A) states that this part of section 1 should not come into force until the independent prosecution service is operating in the area. Therefore, I have entered into a meaningful commitment today. There is no risk of the law being enforced for about 12 months in some cases, and possibly longer in others, by arrangements that are not in accordance with the new framework that we have established. That shows the good faith that we have been anxious to establish.

My hon. Friend the Member for Northampton, North asked me about nuisance. One reason why their Lordships were attracted to the proposition which, in its final form, emerged from discussions in which the lead was taken by Lord Denning and by First Parliamentary Counsel, was that we should distinguish between what must be proved in relation to the woman solicited and the neighbourhood, because their interests are different. For the woman, we wanted an offence of annoyance, and I shall come to my hon. Friend's pertinent questions about how that should be tested in a moment. As for the neighbourhood, we are talking about nuisance, not annoyance, because nuisance to a place is the commonly understood, familiar tool in the courts. It is much better to cleave to words which lawyers are accustomed to using in other contexts than to use new words.

My hon. Friend posed several carefully thought-out questions, and I do not believe that it is ducking the questions to say that it is impossible with this, as with any other issue of fact, to give a conclusive answer. Such issues of fact must be determined by the courts, which will consider the background to the alleged offence, basing their consideration on the way in which they approach nuisance in many other contexts. The word "nuisance" is found in civil and criminal law. Nuisance is a question of fact, and the court will investigate all the circumstances of the case: when it happened; the manner in which it happened; the effect of what happened; and whether all the circumstances lead to the conclusion — this is the key point—that the nuisance was material and substantial.

The damage — this is the reinforcement which my hon. Friend seeks — must not be merely sentimental,

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speculative, trifling, temporary, fleeting or evanescent. I have not dug that list of words out of "Roget's Thesaurus", they have come from cases in which the courts have said, based on the way in which they have dealt with the concept of nuisance, that it must be none of those things. The framework exists for a common-sense recognition of what nuisance is.

We come to the equally difficult point of the objectivity of the complaint. My hon. Friend is troubled by the possibility of a woman being excessively worried by what would be regarded by others as perfectly normal approaches, and that that woman could wreak havoc with the career of a man who simply drove up to her and asked, "What is the way to the public house?" The woman could say that she had been approached in a way that gave her the right to complain under the offences contained in the Bill.

The key to this is the use of the words "likely to", which I know trouble my hon. Friend. I believe that the words "likely to" will ensure that a properly objective test is applied. We do not want a definition of nuisance or annoyance that varies with the length of the individual's foot. We want the courts to be able to say, "Would a person of reasonable firmness, placed in a similar position, be caused annoyance?" In other words, was it likely, and would a reasonable person in the offender's position know, that such an approach was likely to cause annoyance?

Mr. Marlow: The amendment says:
"likely to cause annoyance to the woman".
Does that imply a woman of reasonable firmness or the actual woman involved in the incident?

Mr. Mellor: That is a perceptive question. I believe that it means likely to cause annoyance to women. It does not mean that the court would take into account the particular circumstances of the woman, unless those circumstances were obvious. If the incident involved a woman with a white stick, the court would be entitled to take account of the fact that it is more likely that some words would cause annoyance to a disabled person, who in any event would be disoriented by any approach, than to a woman in full possession of her faculties.

I believe—and, what is more important, some of the distinguished people who have been mentioned as being involved in this believe—that an objective test is being established. It is proper and helpful for my hon. Friend the Member for Northampton, North to ascertain this. I agree that if the House were not satisfied that this was an objective test, it would be entitled to be sceptical, but there is an intention that there should be an objective test, and I think that that intention has been properly carried into effect with the wording.

Mr. Parris: Does my hon. Friend's argument work the other way? Suppose that a woman was not offended or annoyed, perhaps because she was a policewoman, although in plain clothes. If the solicitation was such that, had she been anyone other than a policewoman inured to this kind of thing, she would have been annoyed or offended, would the solicitation be likely to annoy or offend her?

Mr. Mellor: That would follow, but the element that is different, and that we have added by way of a safeguard, is that no longer are words of solicitation for the purpose of prostitution enough in themselves. They have also to be of a kind likely to cause annoyance. In other words, they have to go quite far.

A purely innocent member of the public might find that any words of solicitation were likely to cause annoyance, so the differences in some cases may not be great. However, it is important, because it gives a firm basis to the contention that lies at the heart of this matter—that there should, wherever possible — and only in exceptional circumstances not—be available a person who is not a police officer to give evidence. If these people are so offended that they look to us for redress, they have to be prepared to play a part in getting redress. They cannot slough off that responsibility on to others. We have achieved that, and changed the position.

I hope that what I have said satisfies my hon. Friend the Member for Northampton, North. I am happy to give way to him if I can be of any assistance to him on any other points.

Mr. Marlow: I am grateful to my hon. Friend for his patience, his careful exposition of the position, and the way that he has taken account of the points that I have made. I feel that the safeguards that he has suggested stand a good chance of achieving what both he and I are seeking to do. I congratulate him on what he has done.

Mr. Mellor: That is a most handsome remark for my hon. Friend to make. I am extremely grateful. It has been no hardship to deal with these points because they are essential to our consideration of the Bill. It is right that these matters should be properly looked into. I have always been concerned to see that everyone recognises that in the end—I had to learn this lesson as much as anybody else—the process of getting the Bill right is one of give and take. All of us will come with different views, and we shall not get everything we want.

My hon. Friend has made it clear that he is anxious only to test whether the Bill meets the worries that he legitimately has. I am glad that he thinks that I have satisfied him, and I thank him for his useful contribution, now purged of any suggestion that it was based on malevolence towards the Bill's future. I thank him for the interest that he has shown on previous occasions. The Bill strikes a balance that all new criminal legislation would do well to achieve—a balance between effective controls of activities which the criminal law should address and effective safeguards for those whose activities should not be drawn within its scope.

1.15 pm

The message which I hope we are able to send out this morning is that the buying and selling of the services of a prostitute must not take place in and around the homes of ordinary people who wish to go about their daily lives without the nuisance and offence that is caused on an intolerable scale in many inner-city areas.

The message also goes out in the Bill that serious sexual offences will be adequately punished as a result of the increases in the maximum penalties which clause 3 effects. I consider both signals to be important and worth while.

Mr. Soley: I am sure that it was inadvertent, but given that the Minister is sending out a message, he might wish to reconsider the phrase he used about the buying and selling of the services of a prostitute "in and around" homes. The Bill does not apply within the home. He may wish to clarify that.

Mr. Mellor: The hon. Gentleman is right. We are dealing with the public manifestation of the problem. I am grateful to him for following my remarks with care enough to correct me when I am incorrect.

We have managed to build in the safeguards that the House wanted, while doing what my hon. Friend the Member for Drake and I consider to be absolutely paramount—sending out the message that kerb crawling is an offence. The fact that the Bill covers one approach to a woman who is caused nuisance and annoyance—and which is shown by objective analysis to have been an offence—means that people cannot go kerb crawling thinking that they can have one bite of the cherry and that, so long as they get that right, there will be no problem.

We have been greatly assisted by the other place in our consideration of these matters. I commend to the House the amendments that their Lordships have suggested.

Question put and agreed to.

Lords amendments Nos. 2 and 3 agreed to.

Clause 3

SOLICITING A WOMAN IN A MANNER LIKELY TO CAUSE HER FEAR

Lords amendment: No. 4 leave out Clause 3.

Miss Fookes: I beg to move, That this House doth agree with the Lords in the said amendment.

The purpose of the amendment is simplicity itself. It seeks to delete clause 3, the essential substance of which reads:

"A man commits an offence if he solicits a woman for sexual purposes in a manner likely to cause her fear."

Their Lordships have been good enough to honour an undertaking given by me, in consultation with the Minister, to this House before their Lordships considered the Bill. It was felt that the clause could give rise to serious concerns and that perhaps it went too wide in what is essentially, I still think, a useful proceeding to ensure that a woman has redress when she is put in fear by approaches from a man for sexual purposes of whatever kind. We recognised that that was a worry and it was understood that we would not press it. This amendment achieves that, and I am grateful to their Lordships for making it.

There have been numerous excitements with the Bill, both here and in the other place. It may date me to refer to a splendid little wireless programme in the days of my childhood entitled "Dick Barton, Special Agent." From 6.45 pm to 7 pm this hero had the most exciting adventures. Sure enough, at half a minute to 7 o'clock he would be within an inch of losing his life. That happened every night. I felt like that myself when I had several narrow shaves with the Bill. Indeed, there were several this week.

When I say that I am grateful for the assistance that I have received, I am not reciting those words without feeling. I am intensely grateful for the assistance that I have received from my hon. Friend the Under-Secretary of State and others who have been helpful to me from the very beginning of the Bill's passage. Those others will know who they are. I am grateful also to those who were willing to sponsor the Bill. It is quite an undertaking for a private Member to carry forward such a measure, bearing in mind that it seeks to create more than one new criminal offence.

I am grateful, of course, to those who served as members of the Committee. I thank especially Lady Vickers, who had such a distinguished career in this place. Lady Vickers' part in the Bill's passage through both Houses involved her in a great deal of work and some anxiety. I am grateful to those of their Lordships who gave a great deal of their attention—many of them have great experience of criminal matters and matters of life generally—to the Bill.

I am happy that the Bill retains the essential features which it was my intention to embody in law from the beginning. I hope that the Bill will be satisfactory to the hard-pressed residents of red light areas who have suffered for many years from the increasing menace of kerb crawling.

During the Bill's passage through Parliament I have been impressed by the number of letters that I have received and by the meetings that I have had with residents' associations, especially those from Wandsworth. I learned a great deal in the course of the proceedings and it is with the greatest pleasure that I commend the amendment to the House.

Mr. Marlow: I hasten to say to my hon. Friend the Member for Plymouth, Drake (Miss Fookes) that I am not rising á la Dick Barton because I think that the amendment requires another 68 minutes of debate. I rise purely to say, as one whose activities might have implied some disagreement with some of her proposals earlier in the proceedings, how grateful the whole House is to her and how grateful the country will be that she has tackled this problem in the way that she has, and that she has brought forward a measure which I think the House now believes will deal with this problem, this blight, which affects many of our inner-city areas.

Although my hon. Friend might have been concerned about some of the points that my hon. Friend the Member for Derbyshire, West (Mr. Parris) and I were making, we were concerned purely to see that there was no danger, in a new criminal law, that innocent people could be brought before the courts and their reputations and lives blighted accordingly. I feel that we have now reached a stage when my hon. Friend's requirements have been met and the innocent are no longer in danger. I would like finally to say that I congratulate my hon. Friend on her courage and persistence and on getting it right.

Lords amendment agreed to.

Lords amendment No. 5 agreed to.

Licensing (Amendment) Bill *[Lords]*

Not amended (in the Standing Committee), considered.

1.24 pm

Mr. Michael Colvin (Romsey and Waterside): I beg to move, That the Bill be now read the Third Time.

I should like to pay tribute both to Lord Harmar-Nicholls for bringing forward this measure in the other place and to my hon. Friend the Member for Brigg and Cleethorpes (Mr. Brown) who formally moved the Second Reading and assisted the Bill through its Committee stage, which was not too controversial or arduous and lasted about 15 minutes. Because the Bill had slid through the House so quickly, you may be prepared, Mr. Deputy Speaker, to allow us to say a little more about it on Third Reading than would normally be the case.

This is a modest measure, but we must bear in mind the important part that the entertainment industry plays in our nation's economy. The contribution of hotels, restaurants, dance places, café entertainment and many public houses is significant and extremely valuable. In our balance of payments, the invisibles earned by these sectors are second only in total to those earned by banking.

In a limited number of those hotels, restaurants, dance halls cafés and public houses where entertainment and food are provided, it is possible under present legislation to apply to licensing magistrates and, having justified a need, to be granted special hours certificates or extended hours certificates, which result in those establishments being able to continue to sell liquor and part of the general entertainment between 12 midnight and 2 am, instead of finishing at midnight. The certificates extend business for only two hours. The applicants must demonstrate to the magistrates that there is a need. The certificates are available for 310 of the 365 days in the year, which leaves 55 days in which they cannot be obtained. Fifty, two of those days are Sundays, which leaves three days — Maundy Thursday, Good Friday and Easter Saturday. The Bill is concerned only with those three days. It will extend to those days the same privilege that is given to the other 310 days. We have all accepted that privilege. It is practised in Scotland. We are talking about another two hours of business on three days only, or another six hours of drinking a year. That is not very much.

The measure is important because alcohol consumption is such a controversial subject. Any discussion of liquor licensing and permitted hours inevitably returns to the Erroll Committee's report of 1972, Cmnd. 5154. Since then, there have been two attempts to pass a Bill providing more flexible hours — the first was introduced by my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) and the second by my hon. Friend the Member for Upminster (Sir N. Bonsor). Both attempted to extend the hours from 11 am to 11 pm, primarily to give flexibility. This is what the licensed trade has been reqesting for so long. The Bills attempted also to allow children under 14 in to pubs, and perhaps it was for that reason as much as any other that they failed.

Nevertheless, the debate about those Bills in the House and outside showed that there is anxiety over increasing alcohol consumption and pressure has been brought on the Government by various bodies, notably the National Union of Licensed Victuallers. I should declare an interest because I act as a parliamentary adviser to that organisation. I should, perhaps, also declare an interest as a licensee, although I am afraid that the Bill, as it stands, will not have much effect on public houses. Representatives of the tourist industry and the breweries have also made representations about making our licensing laws more flexible as has happened in Scotland.

"Drinking Sensibly", published by Her Majesty's Stationery Office in 1981, recorded that there were indications that extended permitted hours and Sunday opening in Scotland had not resulted in any increase in total consumption.

Mr. Deputy Speaker (Mr. Harold Walker): Order. The hon. Member should be careful. I do not wish to seem to be too intolerant, but he is aware that on Third Reading we are required to confine our remarks to what is in the Bill and not what might have been, compared with other legislation.

Mr. Colvin: I stand corrected, but I believe that the Bill should be viewed in the context of the wider licensing laws. That is why I think that you will find, Mr. Deputy Speaker, that everything that I say will have a direct bearing on the measure before us. I shall, however, keep my remarks as brief as possible.

The subject of flexible licensing hours is relevant to the Bill. The key points are, first, that the present licensing law was designed to meet the social and economic conditions prevailing shortly after the first world war. That is a long time ago, and the time has come for some reform.

Secondly, the circumstances are now dramatically different. There are new work patterns, greatly increased social expectations and a vastly increased public demand for up-to-date catering and leisure facilities. Those are, of course, growth industries. We are interested in jobs. Those are labour-intensive industries and should be encouraged.

Thirdly, the ability to provide better services to meet customers' requirements is generally inhibited by the present rigid system of permitted hours. That is another reason why I welcome the Bill. It will give customers further flexibility on at least three days a year.

Fourthly, the retailers most disadvantaged by the present system include over 78,000 small businesses— independently owned and tenanted public houses, restaurants and hotels.

Fifthly, in Scotland the Licensing (Scotland) Act 1976, which was introduced following the Clayson committee inquiry, introduced a wide measure of flexibility that has resulted in social and economic benefits.

Sixthly, many public houses in Scotland have changed their character since the new law. They now offer much more food, better services and general amenities.

That is an important point to bear in mind because under the Licensing Act 1964 the section that the Bill aims to amend limits the provision to catering outlets, hotels and other such establishments offering food and entertainment. In many cases, our public houses do neither. When passed, the Bill might be an incentive to our public houses to broaden the scope of the services that they offer. Many more now offer food, but to offer food and entertainment generally would not just widen the scope of their own businesses but would be good for the economy generally, and would enable them to benefit from the Bill's provisions.

Mr. Clive Soley (Hammersmith): I am following the hon. Gentleman's argument with great care. He knows that when he talks about a growth area, he is talking about

increased sales. He knows that there is also a massive growth area in the problems associated with alcohol abuse. Therefore, can he say a little more about those problems and that growth area, and put it in the context of the growth area of employment, income and so on?

Mr. Deputy Speaker: Order. I hope that the hon. Member for Romsey and Waterside (Mr. Colvin) will not be tempted down that road. I have been very flexible and tolerant so far. We have strayed a long way from what is in the Bill. I hope that we shall get back to it.

Mr. Colvin: I shall not reply directly to that question. I hope that the hon. Member for Hammersmith (Mr. Soley) will forgive me. Nevertheless, he has raised an important point. It is in the context of alcohol abuse that the debate on more flexible hours is being conducted. That is why the next point that I wish to make is relevant.

Government statistics have suggested that there has been a massive drop in drunkenness offences in Scotland since the new law was introduced, which must be partly as a result of the flexible hours system. A survey was carried out by the Office of Population Censuses and Surveys, and it is worth quoting the summary at the end, which says:

"The preliminary anaysis . . . has shown that an increase in alcohol consumption occurred in Scotland between 1976 and 1984, and that the increase was almost entirely contributed by women . . . Since consumption by men did not rise between 1976 and 1984 it seems unlikely that the increase in women's drinking is a direct consequence of the changes in licensing legislation, but rather that it results from a change in Scotland to a more relaxed attitude towards drinking in general, and in particular towards women's drinking. It is perhaps because of this more relaxed approach to drinking that more women now drink in public houses, and that the extensions to licensing hours brought about by the 1976 Act tend to be seen as having led to more sensible drinking, rather than as offering a temptation for people to drink more."

That is the answer to the hon. Gentleman's question.

Mr. Soley: Keeping within the rules of order, I remind the hon. Gentleman that the research on that project, which I welcome, is not as complete as we should like. Surely one of the principal guides to which the hon. Gentleman should address himself is not charges of drunkenness, which are not a good indicator, but the number of cases of cirrhosis of the liver, which have increased, although only marginally.

Mr. Colvin: I do not think that I dare answer that question. You were lenient, Mr. Deputy Speaker, in allowing me to slip in a reply to the hon. Gentleman's previous question.

No doubt, if the Minister is so minded and has a word in the ear of the Home Secretary, we may see a Bill in the House before long during which we can debate in detail the matter that the hon. Member for Hammersmith raised.

Mr. Greg Knight (Derby, North): Does my hon. Friend accept that only the most extreme temperance fanatic could argue that the passage of the Bill would lead to an increase in alcohol abuse? We are dealing with only three days out of the whole year.

Mr. Colvin: I agree with my hon. Friend. That is why none of the temperance fanatics are present today to argue against the Bill. They have read it and seen that it is modest in what it attempts to do. Therefore, they are happy to see it go on to the statute book.

We should like a system of licensing that is on more flexible lines. I look upon the Bill as the first step down that track. A more flexible system would enable premises retailing alcohol to adjust their trading arrangements to meet the needs of local communities. For example, the extensions granted for summer trading might be different from those granted for winter trading. The system should take account of the vastly different work patterns——

Mr. Deputy Speaker: Order. We had better stick to Good Friday, Maundy Thursday and Easter eve.

Mr. Colvin: The Bill seeks to begin to bring in a more flexible system on Good Fridays, Maunday Thursdays and Easter Saturdays. Our hotel and licensed trades are already renowned for the service that they give. The Bill will allow them to offer a better service on those three days. I am glad that the Government see no need to object to these modest proposals, but I must have a suspicious nature because I wonder whether, rather than regarding the Bill as the thin end of the wedge and the beginning of more flexible licensing hours, the Government hope that if they agree to these proposals they will manage to keep the licensed trade quiet for a few more years. Perhaps my hon. Friend the Under-Secretary of State will confirm that the Government regard the Bill as the first step towards a more flexible system. Detailed analysis of the Scottish findings will provide the evidence required to support the introduction of a further Bill before long. It may be too late for the Queen's Speech this year, but perhaps in 1986——

Mr. Deputy Speaker: Order. The hon. Gentleman must deal with the Bill before the House today and not with Bills which may be before the House at some future time.

Mr. Colvin: In conclusion, I believe that the House unanimously welcomes the Bill. We regard it as a first step, though unfortunately a tiny step, towards a more flexible licensing system and we very much hope that the Government see it in the same light and not merely as a way to keep the licensing lobby quiet for a few more years. There has been growing concern on both sides of the House about the need for a more flexible licensing system. All the evidence from law enforcement officers, doctors and the trades concerned is that a more flexible system would be beneficial. We shall, therefore, be justified in giving the Bill a Third Reading.

1.42 pm

Mr. Greg Knight (Derby, North): To put the Bill into perspective we need briefly to consider existing licensing legislation. I say that en passant, Mr. Deputy Speaker. It is amazing that although the common law imposed no restrictions at all on the sale of intoxicating liquor we now have a complicated and archaic web of legislation on permitted hours which vary in their application to public houses, restaurants and clubs.

Anyone who is unsure whether the Bill should receive a Third Reading has only to consider that Scotland, Ulster, the Channel islands and virtually every other country in Europe all have more tolerant and flexible licensing hours than we have. Most solicitors regard licensing law with dread. The 93rd edition of Paterson's "Licensing Acts" summarises the legislation relating to licensed premises and covers a large number of Acts of Parliament, including the Alcoholic Liquor Duties Act 1979, the Betting, Gaming and Lotteries Acts and the Licensing Act 1964 which the Bill seeks to amend as well as various Weights and Measures Acts.

[Mr. Greg Knight]

I agree wholeheartedly with my hon. Friend the Member for Romsey and Waterside (Mr. Colvin) that the Bill is an extremely modest measure. Under the 1964 Act, a limited number of hotels, restaurants, dance halls and cafés where entertainment and food are provided can apply to the licensing magistrates for special extended hours certificates allowing them to continue to sell liquor as part of their general entertainment between midnight and 2 am. I gather that, in London, they can go on until 3 am. A growing number of people find such a provision most useful. Extensions for two hours are available for 310 out of the 365 days in the year. That leaves 55 days for which certificates cannot be applied for, of which 52 are Sundays. The Bill does not affect Sundays but merely deletes from the 1964 Act Maundy Thursday, Good Friday and Easter Saturday. If the Bill were accepted, the law in England and Wales would be in line with that in Scotland.

The Bill has been described as modest. That is something of an over-statement. It was said in another place that we should take care about what licensing provision we allow during Easter as it has special religious significance. Sections 70 and 76 of the 1964 Act should not apply to Easter, it was argued. Most people regard Easter as a holiday. Sporting events such as motor racing are permitted and we are entitled to ask why discotheques and restaurants which are allowed to stay open until 2 am at other times should not enjoy the same privilege during Easter.

The Bill does not amend general licensing hours and the 52 Sundays that I mentioned will not be affected. It merely irons out a quirk in our law, and I hope that the House supports it. In Committee, the hon. Member for Hammersmith (Mr. Soley) said that he would not oppose it. I hope that the absence of my right hon. Friend the Member for Castle Point (Sir B. Braine) and my hon. Friend the Member for Watford (Mr. Garel-Jones) means that the House will pass this modest but welcome Bill.

1.48 pm

Mr. James Couchman (Gillingham): This is indeed a modest little Bill and I shall confine myself to making a small speech on it. It alters the law regarding Maundy Thursday, Good Friday and Easter eve only in respect of the limited number of licensed premises which benefit from an extended hours order or a special hours certificate. The Bill brings the law in respect of those three days into line with the rest of the year apart from Sundays.

This is a sensible tidying up and I do not object to it in principle. I shall certainly not press any objections to a Division, but I have some apprehensions about this being considered a crumb that can be thrown to licensees to stem the strong tide in favour of major reform of licensing laws, especially in respect of public houses.

It might be appropriate for me to declare—I have done so before—my interest in the licensed trade. I run a small company with five public houses, of which I am licensee. None of those houses is affected by the measure, because none of them has either an extended hours order or a special hours certificate. I am perhaps unique in the House in that I have personally managed a public house with an extended hours order. I did so for four years. I was encouraged by the police to take out a special order. They were objecting to the fact that I was regularly applying for special orders of exemption to extend my normal hours for the functions that I was then running in my public house.

There is a curious anomaly in the Licensing Act 1964 which excludes the three days—Good Friday, Maundy Thursday and Easter eve—with which we are concerned in the Bill. Therefore, I welcome the measure, which was introduced in the other place, because it will have a tidying-up effect. However, we shall have to be careful because there is clearly a need to look at the question in the round.

There is growing and increasing pressure upon Members of Parliament and the Government to introduce major legislation on licensing matters. I know that you have been extremely tolerant, Mr. Deputy Speaker, in allowing us to speak a little widely today on the measure. That is perhaps because we have too few opportunities in this House to speak on the need for the reform of licensing legislation.

I hope that the Minister, in replying to the debate, will also widen his remarks, because I am a member of an organisation which is known under the acronym of FLAG —Flexi-Law Action Group. It is a national organisation in which all the major trade interests are represented, from the National Union of Licensed Victuallers to the Brewers' Society, the National Association of Licensed House Managers and all sorts of people. We welcome all kinds of reform of the licensing law, and the Bill is one little piece of reform.

The measure will affect businesses other than public houses. Therefore, it is particularly relevant that FLAG should take an interest in the reform. We are keen to see major reforms and hope that we shall get them within the not too far distant future. We hope that the results of the review of the Scottish experiment, as it is called, will shortly be made known to us, and that there will be a positive reaction to the effect of the Scottish experiment, which was introduced following Dr. Clayson's report.

Special hours certificates and extended hours orders affect premises which provide musical entertainment—frequently live music and disco—and food at the same time, and those premises are frequented by the young. I understand the concern of the hon. Member for Hammersmith (Mr. Soley) about alcoholism, because it is the young who make most use of such premises, and they seem to have a good deal of money to spend on entertainment. They are perhaps the least responsible in the use of alcohol. Therefore, it is a proper matter for concern.

In supporting the measure, I look forward to major reforms coming before the House so that we may have a proper debate on licensing law reform and on permitted hours.

1.54 pm

Mr. Clive Soley (Hammersmith): I reiterate what I said in Committee. I shall not oppose the Bill, which is too small to have a dramatic effect. However, it involves flexibility of opening hours and the hon. Member for Romsey and Waterside (Mr. Colvin) openly admitted that he saw it as a first step on the road to greater flexibility.

The problem with following that road is that all the evidence from around the world suggests that greater flexibility leads to greater abuse. My message to the House is that, although I am not against more flexibility in opening hours, I oppose tinkering with licensing hours in

the absence of a national alcohol policy to deal with the problem of abuse. Conservative Members speak with great eloquence and at considerable length about the advantages of the Bill to the trade, but they do not take into account the consequences of the increased availability of alcohol.

Mr. Couchman: The hon. Gentleman shows a proper concern for alcoholism. However, does he agree that the book by Davies and Walsh called "Alcohol Problems and Alcohol Control in Europe" suggests that permitted hours are but a minor factor among the causes of alcohol abuse and alcoholism?

Mr. Soley: The overall evidence is that greater availability leads to more problems. The book says that there is evidence to suggest that greater flexibility can lead to more responsible drinking. I have said previously that that can happen. The problem is that when we tinker with one aspect, such as flexibility of opening hours, and use Bills as steps towards something more, without taking other necessary actions, we run risks.

If Conservative Members do not give greater attention to the problems caused by alcohol abuse — we are dealing with a major drug which has a far bigger effect than heroin on our society, in terms of the number of deaths and injuries, social problems and so on — they will run into considerable opposition from hon. Members who know about the problems caused by alcohol abuse.

Mr. Greg Knight: Is not the hon. Gentleman overstating his case? The Bill deals with only six hours in a year.

Mr. Soley: The hon. Gentleman could not have heard me when I said that I would not oppose the Bill because it was such a minor measure. I went on to pick up the comments of the hon. Member for Romsey and Waterside, who said that the Bill was a step towards more flexible licensing hours. I said that that was not a bad thing in itself, but that it was a dangerous course to follow in the absence of an alcohol policy.

Mr. Colvin: The hon. Gentleman raises a fundamental and important point which the licensed trade views with great concern. He mentioned availability of liquor, but we are debating a Bill applying to outlets such as hotels, licensed entertainment establishments, cafes and public houses — all places where responsible proprietors supervise drinking.

The hon. Gentleman should bear in mind the enormous growth in the number of off-licences, which have increased by 11,000 to nearly 42,000 in the past 10 years. Perhaps many supermarkets are fairly responsible, but far too many off-licences — often they are little more than corner shops, and even garages are involved now — sell drink far too readily and often to children who are under age. That ought to be stamped out.

Mr. Soley: If it were in order I would treat the hon. Member for Romsey and Waterside to a repeat of previous speeches in which I have emphasised that availability has become a major problem, primarily because of the introduction of supermarkets into the licensed business. My complaint against the licensed trade is not that it is unaware of the problem, but that it often deals with the problem by throwing out the people who are the problem. Not long ago the House passed legislation to give licensees the power to restrict access to people who have troubled them in the past. The trade tries to deal with the problem by keeping people with an alcohol problem outside licensed premises on the streets, where those people are a problem to other people. The trade must look at the matter more carefully.

I well understand why the trade calls for such a measure, and I do not intend to oppose it. However, the trade is not yet considering sufficiently seriously the problems caused by alcohol abuse, which, as the Minister knows, is increasing dramatically. The Scottish evidence is much more ambivalent than the hon. Gentleman made out. There is certainly a small increase in cirrhosis of the liver, which is one of the best indicators of an increase in alcohol abuse. In future the hon. Gentleman must pay greater attention to that problem, and to the various bodies which are far less well funded than the brewing industry, the Wine and Spirit Association and the Scotch Whisky Association, but which are expected to pick up the pieces of a major national problem.

2.1 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. David Mellor): Until this afternoon little has been said about the Bill during its passage, which has surprised me slightly because any measure which deals with entertainment on days of religious significance would normally be expected to meet with comment, if not opposition, from those anxious to preserve traditional respect for holy days. Perhaps it is a sign of the times that no such qualms have been voiced.

It has been said that the Bill is a modest measure, which is how many people will regard it; and it is also true that it will have only a limited effect. It relates to the hours during which certain licensed premises and registered private members' clubs can serve liquor and provide entertainment on the three days of the Easter weekend. Its effect would be to allow, but not require, licensed premises and registered clubs which provide entertainment and food to serve alcohol for the same hours on Maundy Thursday, Good Friday and Easter Saturday as apply on a normal weekday. Those premises, instead of closing their doors at midnight on Maundy Thursday and Easter Saturday and at 10.30 pm on Good Friday, would be permitted to remain open until 1 am, if they hold an extended hours order, or 2 am — 3 am in parts of London—with a special hours certificate.

The purpose of the liquor licensing legislation is to control and regulate the sale of alcohol. However, the particular restrictions which apply to late night opening over the Easter weekend, and which have the dual effect of prohibiting the sale of alcohol and the provision of entertainments, arise solely because of the religious significance of those days. Successive Governments have taken the line that it must be a matter for individual conscience, and the will of the House, whether restrictions relating to days of particular importance in the Christian calendar should be relaxed. I said in Standing Committee that the Government are neutral on this Bill and that we have no objection to its proceeding on to the statute book, if that is the will of the House, as it seems to be. That remains our position.

The proposals in the Bill will affect only the minority of premises licensed for the sale of alcohol. It can be argued that even this modest measure does no more than bring the licensing legislation into line with that governing other forms of entertainment. Neither the theatres nor the cinema licensing legislation, for example, imposes any

[Mr. David Mellor]

restrictions on the opening of those premises on Maundy Thursday, Good Friday or Easter Saturday. Nor are there any specific restrictions relating to the Easter weekend on the opening of casinos. Thus, it is lawful for casinos to be open from 2 pm to 4 am every day, except on Saturday, when the terminal hour is 3 am in London and 2 am elsewhere in England and Wales. It cannot be said, therefore, that the relaxations on licensed premises in this Bill are inconsistent with other areas of licensing, for which the Government have overall responsibility.

There will be those in the House and outside who will criticise this minor legislation on the grounds that it does not go far enough and that we need more radical reform of the licensing law rather than a piecemeal approach affecting only some days—[HON. MEMBERS: "Hear, hear."] My tired old ears have picked up the odd "Hear, hear" from the Benches behind me. I have some sympathy with that argument, but it should not prevent us from considering minor amendments when they are shown to be desirable.

As to the more general reform of the law—I refer here to the much-debated issue of flexible licensing hours—hon. Members will be aware that it is currently under review. My right hon. and learned Friend the Home Secretary has made it clear that, before reaching a decision, he will wish to consider carefully the reports of the surveys conducted by the Office of Population Censuses and Surveys into the effects of the extension of permitted hours brought about in Scotland by the Licensing (Scotland) Act 1976, together with all relevant data on the indicators of alcohol abuse. The full report, which will include the results of a survey of public house licensees about their attitude to licensing legislation, will be published later in the year.

The Bill proposes modest relaxations for three days of the year, enabling those seeking entertainment to purchase alcohol for a few more hours, until 1 am or 2 am. As I said, the Government are neutral. Whether the restrictions on the supply of alcohol and the provision of entertainment should be relaxed is a matter for the individual choice of hon. Members, but if, as one suspects, this Bill gets its Third Reading today and becomes law, the Government will certainly not oppose it.

Question put and agreed to.

Bill read the Third time, and passed, without amendment.

Reform of the House of Lords Bill

Order for Second Reading read.

2.6 pm

Dr. John Marek (Wrexham): I beg to move, That the Bill be now read a Second time.

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): I have it in Command from the Queen to acquaint the House that Her Majesty, having been informed of the purport of the Bill, has consented to place her prerogative and interest, so far as they are affected by the Bill, at the disposal of Parliament for the purposes of the Bill.

Dr. Marek: First, may I thank the Leader of the House for giving us the message from the Queen, and I apologise to him for detaining him in the House on what is now a procedural matter.

The reform of the House of Lords has been talked about for many decades, but nothing has been done. The last serious attempt to reform the House of Lords was with the Parliament Bill in the late 1960s, which was roundly defeated by a coalition across party lines. I should say that I do not believe it was a good measure.

However, it is inexcusable that, in what we call a democracy, one of the two main legislative Chambers is not an elected body. If one is born in the right bed, one can take part in the legislature of the country. If one is not born in the right bed—that includes everyone in this House and, except for about 1,500 people, everyone else in the country—one cannot take part in the legislative process. We must start to consider how to make Britain a true and total democracy. Unless we reform the House of Lords, we cannot call ourselves a complete democracy.

In "Vacher's", one sees a list of members of the House of Lords. There are three peers of blood royal, two archbishops and 25 dukes. I could spend much time talking about the 25 dukes, but I shall not. There are 28 marquesses and 157 earls and countesses. As far as I am aware, none of those people has any special— *[Interruption.]*

The thunderclap that we have just heard leads me to believe that I should tread carefully during the next few minutes.

Mr. Jeremy Corbyn (Islington, North): Divine retribution.

Dr. Marek: None of those people has any special abilities to take part in our legislative process.

After that, we come, in order of seniority, to 104 viscounts, 24 bishops and 864 barons and baronesses. Well over 1,000 members of the other place are there because of fortuitous circumstances. The exceptions are the life peers and peeresses, who may be appointed because of some expertise or ability, or the help that they can give the Government of the day or, more rarely, the Opposition of the day, in running the business in the other place. This cannot be the right way to proceed in a democracy.

One has to pay a price for democracy. Members of the legislature have to be elected. One may end up with members who may not be the best that one could possibly have. However, in a democracy, election is the only way. This House is not perfect. I am not perfect and I do not think that any hon. Member would say that he was perfect, in command of all arguments and could give an unbiased

and honest judgment on any matter. We all fall down on occasions. On the other hand, we have been elected, and we have the trust of the electorate that for one Parliament they will expect us to use our judgment to the best of our ability.

There are no electors to send anybody to the other place. It can introduce legislation, and change and impede legislation from this House. Out of the 1,000 Members in the other place, not many play a part. At the most, it is a couple of hundred, and not many are there day in and day out. I have been looking at the House of Lords *Handards* and I have found that two or three dozen Labour Members and five or six dozen from the Government Benches take a regular and active part in the proceedings there.

We can go two ways. Given that we want a democracy, and that there is something to be said for an elected system, should we abolish the House of Lords completely or should we try to make it an effective body? My party believes in total abolition of the House of Lords. If there were a Bill to that effect before the House, I would support it. However, it is not one of the major items of legislation that will be passing through the next Parliament under the next Labour Government. We can either make the House of Lords effective as a revising chamber, or we can abolish it completely.

Mr. Greg Knight (Derby, North): The hon. Gentleman has just said that his party's policy is to abolish the House of Lords, and if a Bill to that effect were introduced he would support it. How does he square that with an article that he wrote in the *Western Mail* on 22 February when he said, "Abolition will not do"?

Dr. Marek: The hon. Gentleman apprehends my next point. I can square my remark. Abolition will not do, for one reason. I should like to see an effective revising chamber and I should like more elected members of either House to keep control over the Executive. I do not believe that 650 Members of Parliament are sufficient to control the Executive in all the many decisions that are taken. I am not saying that the decisions are taken unaccountably, but they are taken without elected Members knowing about them unless a particular Member has an interest in something and happens to be in the right place at the right time to ask the question. An elected representative may then be able to influence a decision. By and large, however, we have the Civil Service, quangos, boards and nominated bodies which run the country and it is impossible for 650 MPs and between 100 and 200 of their Lordships to try to keep effective control over the Executive and the Civil Service.

My view, which should command thought in the House, is that we need greater numbers. To achieve that, we should reform, rather than abolish, the House of Lords, although I should be happy to agree to its abolition, simply because we do not have democracy there. Generally speaking, one must be born in the right bed to be a member of that place.

The House of Commons is the primary legislative Chamber, so that the House of Lords must be the reforming Chamber. Therefore, the Lords should not challenge this House, and for that reason the powers of the other place can remain roughly as they are, although I could be persuaded that the powers should be changed in either direction.

An important reason why this House keeps its primacy is that it is based on representation, on the single-Member constituency, and Members of the Commons have contact with their electors and are responsible to them.

If we wish to keep this House as the primary instrument for legislation, we must do something about elections to the House of Lords. One method would be to have large constituencies so that Members of the House of Lords could not be identified with any area. To achieve that, we would need a form of proportional representation. For that reason, the Bill suggests the single transferable vote for elections to the other place. PR is beloved of the alliance parties, and it is a pity that Liberal and SDP Members are not here to discuss this matter.

What will happen if the Bill is not placed on the statute book and nothing is done about the matter? Sooner or later there will be a Government with a sufficient majority to get their way. Such an Administration may go for total abolition. But if the House of Lords were not abolished, it might be changed in such a radical way that there would not be a general consensus in this House about its composition. It is likely in the future that a Government with such a majority will be in power.

I am sure that hon. Members on both sides of the House realise that the House of Lords needs reforming. We should do it by means of a consensus which would gain general acceptance from the people. We could do that even in a Parliament such as this, in which the Government have an enormous majority. If we do not do it, sooner or later —because it needs to be done—a Government with an enormous majority may do something which we do not like.

2.18 pm

Mr. Michael Portillo (Enfield, Southgate): I scarcely recognise the hon. Member for Wrexham (Dr. Marek), so brief has he been in his remarks today. I congratulate him on presenting his case in a few minutes. I was used to sitting opposite him in the Standing Committee on the Transport Bill, and in those deliberations we suffered long hours at his hands—or should I say at his mouth?—as he kept us in our places, sometimes entertained but sometimes less entertained.

Mr. Jeremy Corbyn: What a dreadful thing to say of my hon. Friend.

Mr. Portillo: I congratulate the hon. Member for Wrexham on making such a brief contribution today, yet putting his points lucidly. I appreciate that the hon. Member for Islington, North (Mr. Corbyn) wishes to speak, so I shall not detain the House for long because I am sure that the great British public are looking forward to hearing from him. I am sometimes perplexed how it is that the Labour party's first instinct when faced with a problem is to turn to constitutional reform. I fear that it does so with a disregard for the consequences. When the previous Labour Government found themselves in difficulty, constitutional reform was their immediate knee-jerk reaction.

There was disagreement over whether Britain should be in the EEC and the Labour Government's reaction was to hold a referendum. Although that was a constitutional innovation, that did not bother them, as it got them off the hook on which they found themselves. Subsequently, they had problems in maintaining a majority with their allies in

[Mr. Portillo]

the House. That meant that they were willing to contemplate setting up assemblies for Scotland and Wales and to hold more referendums. Again, they acted without regard to whether those actions would be good for the long-term constitutional health of the United Kingdom. They found a way of getting themselves out of a tight corner politically and they were willing to throw constitutional tradition and history to the winds in the interest of self-preservation.

The Labour party is proposing once more either the abolition of the House of Lords—as I understand it, that would make the hon. Member for Wrexham (Dr. Marek) perfectly happy—or the reform that is proposed in the Bill, which amounts to abolition and the establishment of a different House.

Given the present state of the Labour party, it is interesting to look for clues in ascertaining what led it to devise such a scheme. The first clue is that the Bill proposes that the new House should be elected regularly every five years. We are moving from a position in which a Parliament has a maximum life to one in which elections fall regularly on a certain date. Why should the Labour party want that? I suspect that it knows that it will lose general election after general election and that it is looking for an opportunity in mid-term, when there are protest votes that we know about of a sort that I believe were displayed even yesterday, to have a different House elected and possibly to capitalise on the votes that may be swinging around. In effect, it is a call by the Labour party for a recount. If it loses a general election, it wants a second bash at it when it has a second House. I understand that the Labour party is keen on second bashes. I believe that it called for a recount in the Brecon and Radnor by-election but to no avail.

The second possible clue lies in the abolition of the metropolitan counties and the GLC. When these authorities are abolished, the Labour party will be deprived of great areas where a protest vote could be lodged between general elections. Areas of control were passed to the Labour party by those who wished to register their feelings in a mid-term contest. With the abolition of these authorities the Labour party is left wondering how it will be able to make mischief during the long periods when Labour Members have to sit on the Opposition Benches, the Labour party having lost the previous general election once again.

I find many features of the Bill surprising although I understand why the Labour party has embarked upon it. If the hon. Member for Wrexham wishes to intervene to explain what he means by the passage in the Bill which reads:

"the exercise of political power, much of it in secret, by those who do not derive their authority from the people",

I shall be willing to allow him do so. I cannot understand what that means. The House of Lords is, for the moment, the more public of the two Houses in this Parliament. It is the one which is now seen by those who watch television.

Dr. Marek: I shall intervene, only briefly as we have only seven minutes in which to debate the Bill. I am not suggesting that the House of Lords exercises power in secret. However, the Executive, the Civil Service and other bodies exercise their power in secret. That is the meaning of the preamble.

Mr. Portillo: I believe that the hon. Gentleman will think, on reflection, that the drafting of his Bill was slightly confusing on that point. I am grateful to him for setting us right.

I have spoken to many of my constituents since the proceedings of the House of Lords have been televised and many of them say that they realise now for the first time what a splendid place the House of Lords is as presently constituted. They realise for the first time that the other place has a residue of expertise to deploy on important issues.

That reminds me of the time when I was involved in the consideration of a patents Bill, which came before the House about nine years ago. It would not be unfair to hon. Members to say that at that time there were very few Members who had an understanding of the subject. However, in the House of Lords there happened to be two or three of the leading world experts on patents, who were able to bring their expertise to bear. They gave the Bill a much more mature and thorough consideration than it might otherwise have received. This is only a small example of what happens so often with their Lordships.

Of course, their Lordships do not attend every debate in the way that hon. Members do in the House and their interest in a particular subject is not always 100 per cent. Their Lordships are distinguished in different fields. The majority were given seats in the House of Lords because they had distinguished themselves. The Labour party continues to nominate people to that House on that basis — often because they have a political expertise and because, as working peers, they will help the Labour party and show the same talents and abilities that they showed either in this House or outside politics.

I think that the hon. Member for Wrexham (Dr. Marek) and I have the same desire at heart — to safeguard democracy. Those are the terms in which the hon. Gentleman couched his argument and I have taken his words at face value, something I find it hard to do. The Labour party is afraid of the independence of the House of Lords. During the past few years, Labour Members have seen that the House of Lords is willing to consider carefully and independently the legislation that comes from this House. Constitutional reform by the abolition of the House of Lords would merely be the prelude to a much more devastating constitutional reform. With the House of Lords out of the way, our ability to stop that devastating change would be that much more restricted.

2.26 pm

Mr. Jeremy Corbyn (Islington, North): I welcome the fact that my hon. Friend the Member for Wrexham (Dr. Marek) has introduced this Bill. The House should promote a public debate on the existence of the House of Lords. I am surprised that Conservative Members oppose the Bill. However, when the Leader of the House informed the House of the Queen's consent to the Bill, I detected some note of resignation in his voice, because the House of Lords has been more trouble to this Government than it has been to other Governments. But for the House of Lords, the local government abolition legislation might have travelled much further. That demonstrates not the democratic credentials of the other place or its desire to promote democracy but how reactionary the Government are with their majority in the House of Commons and how determined they are to force the destruction of democracy in so many aspects of life.

Mr. Cecil Franks (Barrow and Furness): Will the hon. Gentleman comment on the view that, in the absence of an effective Opposition to the Government in this Chamber, the House of Lords has assumed the mantle of a de facto Opposition?

Mr. Corbyn: The hon. Gentleman has only just come into the Chamber, but he obviously has not had a chance to hear the results of the Brecon and Radnor by-election. I think that his party understands that there is enormous opposition both inside and outside Parliament to the Government.

When I show guests and people from overseas around the Houses of Parliament and explain to them how the House of Lords came into existence, they cannot believe that in a democratic society we hand legislation to people whose sole fortune in life has been to be born into a particular family or at a particular time. Even worse is the patronage that goes with the make-up of the House of Lords through the appointment of life peers. My guests say to me, "Why does your country, which prides itself on being so democratic and having a democratic parliamentary system, allow this ridiculous anachronism to continue?" To allow hereditary peers to have a say in the legislative process is a ridiculous anachronism. As far as I am aware, hardly any country allows a hereditary form of government. Why should we allow it here?

My hon. Friend the Member for Wrexham has done us a great service in putting the Bill forward. I might have some disagreements with my hon. Friend on the methods of election of a second Chamber or on the justification for having a second Chamber. I very much agree with him, however, that we cannot justify in a democratic society allowing this undemocratic obstacle to be in our path.

Every time that there has been a major constitutional reform it has been as a result of the House of Lords' obstructionism, be it the people's Budget of 1910 or the other, later examples. It is important that that obstruction be removed. I firmly believe that a future Labour Government, elected as they will be at the next election, will be obstructed by the House of Lords, because the House of Lords represents economic and social interests that are fundamentally opposed to the interests that the Labour party represents and that a future Labour Government will represent after the general election.

I find it surprising that none of the——

It being half past Two o'clock, the debate stood adjourned.

Debate to be resumed upon Tuesday 16 July.

STANDING CHARGES (ABOLITION) BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 25 October.

COMPANIES (POLITICAL DONATIONS) BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker (Mr. Harold Walker): Second Reading what day? No day named.

POLITICAL PARTIES (INCOME AND EXPENDITURE) BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker: Second Reading what day? No day named.

SOCIAL SECURITY (COLD CLIMATE ALLOWANCE) BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker: Second Reading what day? No day named.

PLANNING AUTHORITIES (RESTRICTION OF LIABILITY) BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker: Second Reading what day? No day named.

RECREATIONAL GARDENING BILL *[LORDS]*

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 25 October.

GREATER EMPLOYEE INVOLVEMENT BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 25 October.

BUDGET BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker: Second Reading what day? No day named.

PEOPLE'S RIGHT TO FUEL BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker: Second Reading what day? No day named.

LOCAL GOVERNMENT (CHOICE OF ELECTORAL SYSTEMS) BILL *[LORDS]*

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker: Second Reading what day? No day named.

ROAD RACES (NORTHERN IRELAND) ORDER 1977 (AMENDMENT) BILL *[LORDS]*

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker: Second Reading what day? No day named.

MINIMUM WAGES ETC. BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker: Second Reading what day? No day named.

WORKING CONDITIONS OF GOVERNMENT TRAINEES BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker: Second Reading what day? No day named.

REFORM BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker: Second Reading what day? No day named.

COMPANIES (PROCEDURE) BILL

Order for Second Reading read.

Mr. Deputy Speaker: As the Bill has not been printed, I shall not propose the Question. Second Reading what day? No day named.

YOUNG PEOPLE (SCOTLAND) BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker: Second Reading what day? No day named.

YOUTH CHARTER BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker: Second Reading what day? No day named.

EMPLOYMENT OF YOUNG PEOPLE BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker: Second Reading what day? No day named.

HANDICAPPED YOUNG PERSONS BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker: Second Reading what day? No day named.

LOCAL AUTHORITIES (POLITICAL EXPENDITURE) BILL

Order for Second Reading read.

Mr. Deputy Speaker: As the Bill has not been printed, I shall not propose the Question. Second Reading what day? No day named.

HORSES AND PONIES BILL

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 25 October.

MEDICAL ACT 1983 (AMENDMENT) BILL

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 25 October.

MEMBERS OF PARLIAMENT (MINIMUM AGE) BILL

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 25 October.

PENSIONERS' HEATING AND COMMUNICATIONS BILL

Order for Second Reading read.

Mr. Deputy Speaker: As the Bill has not been printed, I shall not propose the Question.
Second Reading deferred till Friday 25 October.

CROWN IMMUNITY (REMOVAL FROM WORKPLACES) BILL

Order for Second Reading read.

Mr. Deputy Speaker: As the Bill has not been printed, I shall not propose the Question. Second Reading what day? No day named.

CONSUMER GUARANTEE PROTECTION BILL

Order for Second Reading read.

Mr. Deputy Speaker: As the Bill has not been printed, I shall not propose the Question. Second Reading what day? No day named.

SALE OF ALCOHOLIC BEVERAGES FROM GARAGE PREMISES BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputry Speaker: Second Reading what day? No day named.

CO-OWNERSHIP OF FLATS BILL

Order for Second Rading read.

Mr. Deputy Speaker: The Bill has not been printed, so I shall not propose the Question. Second Reading what day? No day named.

TENANTS' PROTECTION (SCOTLAND) BILL

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 25 October.

WILDLIFE AND COUNTRYSIDE (SERVICE OF NOTICES) BILL

Read a Second time.

Bill committed to a Committee of the whole House. *—[Dr. David Clark.]*

Mr. Deputy Speaker: I must point out to the House that it is unusual to take a Committee stage immediately after Second Reading on a Friday.

Bill immediately considered in Committee; reported, without amendment.

Motion made, and Question, That the Bill be now read the Third time, *put forthwith pursuant to Standing Order No. 58 (Third Reading), and agreed to.*

Bill accordingly read the Third time, and passed.

ENVIRONMENTAL POLLUTION INFORMATION BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker: Second Reading what day? No day named.

OFFICIAL SECRETS ACT (AMENDMENT) BILL

Order read for resuming adjourned debate on Second Reading [26 April].

Hon. Members: Object.

Mr. Deputy Speaker: Debate to be resumed what day? No day named.

PROTECTION OF THE RIGHTS OF THE ELDERLY IN HOME OWNERSHIP BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker: Second Reading what day? No day named.

MINERS' AMNESTY (GENERAL PARDON) BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker: Second Reading what day?

Mr. Jeremy Corbyn (Islington, North): Friday 25 October.

Mr. Deputy Speaker: Does the hon. Gentleman have the leave of the hon. Member in charge of the Bill?

Mr. Corbyn: Yes, Sir.

Second Reading deferred to Friday 25 October.

Exporters (Government Aid)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Archie Hamilton.]*

2.37 pm

Mr. Michael Morris (Northampton, South): This debate is, in a sense, round three in the Conservative Back Benchers' attempt to kill off the Byatt report and to persuade the Secretary of State for Trade and Industry to get his act together and produce an export strategy. Rounds one and two went to my hon. Friend the Member for Hertfordshire, South-West (Mr. Page) and my right hon. Friend the Member for Waveney (Mr. Prior). As luck would have it, the timing of the debate may prove to be particularly apposite because the topic of the Government's help to exporters is reported to be on the Cabinet agenda, and at the beginning of the week we had the announcement of 200,000 new training places for our young people, which was particularly welcome. I should like a good number of those 200,000 young people to be in manufacturing industry and helping to improve our exports.

Seventeen years ago, before I came to the House, I wrote a pamphlet for the Bow Group, called "Helping the Exporter". Not a lot has changed since then, I am sorry to report. In that pamphlet we recommended changes in finance, targeting and organisation. As my hon. Friend the Minister knows, I have worked in the far east and I now regularly visit south-east Asia, my last visit, which was in January, being to Sri Lanka and Indonesia, with a brief stop-over in Malaysia.

I have seen business at the sharp end and I have the utmost praise for our people both in the private sector and in the diplomatic service. They all do a fantastic job in the steaming heat of the east. They have to contend with competition from France, Germany, Korea and Japan. The tragedy is that when they return home they seem to have to engage in endless hours of negotiation with the British Government.

The record of our three leading competitors gives a clear picture of what we are up against. In 1983 our aid programme was less than half that of France, Germany or Japan. We tied 54 per cent. of our aid to British manufactures while Japan tied 64 per cent., Germany 66 per cent. and France no less than 82 per cent. to their manufactures.

For years, we have believed in direct grants. Our competitors have sold on the basis of soft loans, thus making the money go further. We are very slow to learn. For example, our mission in Indonesia reported nine months ago that the Indonesian Government would accept only soft loans and not grant aid. We insisted on trying to put together a package of grant-aided work and lost the power project for which we were pitching. We have only just begun to respond to that clear message from the Indonesian Government. I hope and trust that Minister Habibi of Indonesia will be made especially welcome when he visits this country next week.

Our overall budget for soft loans is currently £66 million. I believe that China alone warrants £100 million. That is the kind of amount that our competitors are directing to that market. Against our £66 million, France and Germany have more than $1 billion available for soft loans and Japan has $2·5 billion. The contrast between those figures would be laughable if it were not so serious.

[Mr. Michael Morris]

Why do we always have to match our competitors? Why cannot we take the initiative for once and go for the business? I do not blame the Overseas Development Administration for that. It is not the ODA's area of expertise. It should be a function of the Department of Trade and Industry and the budget should be controlled by that Department.

The evidence given by the Export Credits Guarantee Department to the Public Accounts Committee, of which I am a member, suggested that management were being asked to achieve the impossible. They were told that they had to break even and to pay off old debt and yet be competitive with foreigners when interest rates in this country were at an all time high. I acknowledge that there is now a consensus rate but not everyone abides by it, especially for capital projects. When the ECGD increases its premium rate to particular countries—for example, Thailand, which is a category B market and thus has a good credit rating—the countries concerned may regard it as a slight. I doubt whether MITI, the Japanese equivalent or COFACE, the French equivalent, have to go through the procedures that beset the ECGD.

As for the British Overseas Trade Board, what other country would cut its main promotional arm just when it is achieving success? The Government may say that a 2 per cent. real cut is not a great deal, but converted to Singapore dollars when exchange rates are moving it becomes a great deal more significant.

Perhaps I might relate the sorry tale of a small exporter in Nether Heyford in my constituency. This chap was unemployed but set up business on his own. His company, Petalgold Ltd., provides golf equipment. Golf happens to be one of my hobbies, but the Japanese love their golf. My constituent showed initiative and exhibited in the sports show in Japan in 1985 and collected orders to the tune of just over £30,000. He applied to go on the 1986 fair and was told that it had been cancelled. We shall never succeed if we approach the matter on a one year in, one year out basis.

My hon. Friend the Minister has been helpful to the footwear industry. It is a difficult industry as it comprises many small firms. It normally shows at six trade fairs but, because of the cut in the British Overseas Trade Board, it has been told that it can show at only three. That is not fair treatment and it does not help British exporters.

Some people say that we cannot afford more, but I am a member of the Public Accounts Committee which investigates twice a week what has happened to public money. We have seen huge losses and examples of misspent money. We have received evidence about big crashes such as De Lorean, and await detail about medium-sized losses such as Lear Fan and unknown losses such as the Sinclair C5 vehicle. There are dozens of examples of public money going down the drain, a significant amount of it having come from the Department of Trade and Industry.

People in high places tell me that civil engineering contracts produce little benefit to the United Kingdom. I have asked for some detailed figures on a contract that arose out of some discussions that I had in Indonesia in January—the Marika Hydra project. It is a joint British-Swedish project. Its value is £321 million, of which the United Kingdom's share is £175 million. It falls into five categories—civil engineering of £108 million, of which the direct UK content is £75 million, mechanical and electricals of £51·5 million, of which the UK content is £44·6 million, design of £5 million, of which the United Kingdom content is £4·9 million, supervision of £6·5 million, which is all to the UK, and third-country purchases of £2 million. That produces a total UK content of £131 million out of £173 million—a ratio of 70:30. It will create employment in the UK but, on 13 May, my right hon. Friend the Chancellor wrote to the chairman of Heavy Electrical Machinery saying that, despite further evidence that that body had sent to the Chancellor about the benefit of follow-on orders, he had

"asked my officials to study further the details you have presented but I fear my immediate reaction is that your evidence contains nothing to alter the approach we have adopted since the preparation of the Byatt report in 1982."

That response is not adequate.

The Treasury is bad, but the Department of Trade and Industry has also been dilatory since 1979. I dropped in on Sri Lanka in January and discussed the Samanala Wewa project. I raised the issue with the Foreign Office 18 months ago and again in January. The Prime Minister discussed it when she was in Sri Lanka and armed with detailed figures 12 weeks ago. There has still been no decision.

There might be people in high places who think that companies such as Balfour Beatty get an unfair share of ATP, but they are the companies with get up and go. Contracts are too often lost because that element is missing. They are also lost because of lack of funding. It is not enough to have the right goods in the right place at the right time. Hawker Siddeley has given evidence to the Department concerning five contracts that it has missed. I just hope that the Samanala Wewa project does not go the same way.

I realise that my hon. Friend will be restricted, not least as his right hon. Friend the Minister for Trade is away in south-east Asia. Normally, I would have fulsome praise for the activities of my right hon. Friend, but I cannot help but reflect that Ramadan has just finished, that there is now the "Eid" festival in that part of the world, and that trying to sell in south-east Asia now is like trying to sell in London during the Christmas recess.

It is time that the Government got their act together in areas such as south-east Asia. We need to recognise and understand the legitimate aspirations of the Association of South-East Asian Nations, and that quantum leaps in technology are being made in Indonesia and Malaysia. We must recognise the sheer size of trade with Singapore. As long as we have a system of five different decision-making bodies — the Department of Trade and Industry, the Treasury, the ODA, the Foreign Office and ECGD—we shall fail. We need to be single-minded.

We should set up, perhaps on a trial basis and perhaps just in south-east Asia, the post of trade commissioner for the region. The concept was originally used in the old Board of Trade, and it could be developed. I can envisage a senior man aged about 50, supported by an assistant and a secretary, at a cost of about £250,000. He or she, experienced in trade, could be responsible for establishing a strategy in a region and ensuring its implementation.

My hon. Friend has been tolerant, as always, and I hope that he will show a degree of understanding. I end with a quotation taken from a publication that I shall refer to shortly. It says:

"The Malayan market—great potentialities for British trade and manufacturers—it is the key position which if held and consolidated will ensure for the future a dominant position for British Commerce and Manufacture".

The source of the quotation is "The Crown Colonist" and the date is April 1931. Does nothing change in Britain?

2.51 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. John Butcher): The short answer is yes, it does. I hope to give my hon. Friend the Member for Northampton, South (Mr. Morris), who has great expertise and enthusiasm in export matters, some reassurance that the Government are flexible in their approach to these questions, and that we are anxious to do whatever we can, within our budgetary constraints, to help to improve the performance of our exporters.

Before dealing with the specific points of my hon. Friend's speech, I should like to put it to him that we are talking today about a job creation programme. Much attention is being focused, within our national political debate, on the need to create more jobs in the United Kingdom, and I put it to the House that there is one job creation programme that has been singularly undiscussed over the past few months and years. It is that number of jobs which can be created by increasing our share of world trade.

We are told that the United Kingdom had about a 14 per cent. share of world trade in manufactures, goods and services in 1964, but by 1978 our share had gone down to 8 per cent. Each 1 per cent. represents a loss of about 250,000 jobs. Therefore, it can be argued that in a job loss programme during that period we exported 1·5 million British jobs. The Department of Trade and Industry and my hon. Friend have a common cause and should combine in trying to achieve one objective. We should recognise that the biggest job creation programme on which the United Kingdom can embark is that programme which, through increases in competitiveness, can help us to import back into the United Kingdom those 1·5 million British jobs. When the Government go on and on about competitiveness, they do so on the basis of a job creation programme.

My hon. Friend said that his remarks were topical. They are very topical in the political context. One of the more regrettable and unfortunate problems of timetabling in the House is that we have not had time in recent months to discuss this very important job creation programme.

I am grateful to my hon. Friend for raising this subject. Exporting and increasing our percentage of world trade are vital parts of the nation's economic activity. I know that, like my hon. Friend, many representatives of industry are concerned about the changes to some of the export services that are supervised by the British Overseas Trade Board. The debate provides the opportunity to reaffirm that the Government remain committed to a programme of export support and to explain clearly our policy approach.

Government support for exporters takes three main forms. The first comprises the export services under the guidance of the BOTB, and that is the area on which a major part of our debate is focused. The BOTB services offer a wide range of support. Some provide information; others, such as the trade fair and mission programmes, provide practical and financial help for companies seeking to establish themselves in overseas markets; others provide help in rather specialised areas such as foreign technical requirements and export documentation.

The other principal forms of Government support, which must not be forgotten, are the aid and trade provisions to which my hon. Friend referred and other support for major projects, along with the services of the Export Credits Guarantee Department.

Let me spell out the main objectives and policies of the export promotion programme under the guidance of the BOTB. The main objective is to use the resources to stimulate additional exports — a point which is sometimes lost on some of the Department's client companies — which are exports that would not have come about without the export services and assistance offered by the Department and the BOTB.

A further aim is to cut the cost of breaking into new markets by providing companies with certain information and technical services that are most efficiently provided centrally and using the unique resources available to Government. The services are basically available to all companies and cover all overseas markets. We do not want to say, "Whitehall knows best where a firm should sell its goods or services." However, to be cost-effective, we must achieve some selectivity by type of firm, by market and by concentrating on the period when help is most needed. For example, there is, to a large extent, concentration on small and medium-sized firms.

Trade fair support is particularly attractive to smaller firms and nearly three quarters of users have fewer than 200 employees. It is also more effective to concentrate support on newcomers to markets, in the belief that, once companies are established in markets, the operation should not need a continuing subsidy from public funds.

My hon. Friend mentioned the example of a new, young and vigorous company going to Japan, taking part in a trade fair, but not being able to follow that up with a second visit. I understand that, although we have to look carefully at those who may make more than the number of visits that our budget can bear, our limit, which is interpreted fairly loosely, of about four visits comes close to satisfying our objective of giving firms a sufficient initial boost to allow them to work under their own devices and finances subsequently.

I have already said that some activities are more efficiently carried out centrally to exploit, for example, the unique information and assistance network provided by the commercial sections of our embassies and high commissions abroad. We aim not to compete with the private sector but to operate in other areas to achieve our objectives. For example, much of the detailed operation of the trade fair and mission programmes is handled by chambers of commerce and trade associations. Where export market research is needed, we contribute to the costs of professional research by the private sector. The Foreign and Commonwealth Office overseas posts are encouraged to make as much use as possible of banks, local chambers of commerce and British business groups.

On the question of organisation, when my right hon. Friend the Minister for Trade returns to the United Kingdom I will draw his attention to the appropriate section in *Hansard* in which my hon. Friend described his interesting idea about regional trade commissioners. My hon. Friend will not expect me to give an instant answer to that proposal. Although the idea has been expressed before, it is certainly worth putting to my right hon. Friend, who will undoubtedly wish to reply at an opportune moment.

[Mr. John Butcher]

By way of emphasising the importance of the various forms of support, I wish to say that, given the rapid improvement in our performance as exporters, it is correct for the Government to see where they can best help those who most need help in this period of general improvement. It is surely correct for us to assess the targeting of our aid and its efficacy, and to take what we may discover from the monitoring of our measures and put it into any amendments we may wish to make in future.

In that regard, I shall now turn to soft loans, with which my hon. Friend dealt at some length, and aid and trade provision. The Government recognise that some countries may prefer loans to grants supplemented by export credits. We are discussing with the financial community what mechanisms might be devised for providing soft loans. I assure my hon. Friend that we are taking top flight advice from the City. We may wish to determine the role that the banks or capital markets can play in providing the funds that may be necessary, as already happens with ECGD-backed contracts, thereby reducing calls on public expenditure. As ever, there is a place for the private and public sectors to work in partnership. I can tell my hon. Friend that ATP support is now available for China, but at present only in the usual ATP grant form. Moreover, the funds available are limited within the present ATP provision.

On ECGD, my hon. Friend pointed out the risk of offending some nations if the league table, in terms of the classification of cover proffered, is presented clumsily. That is a serious point for the Department of Trade and Industry to consider, and I shall certainly draw it to my right hon. Friend's attention. It is a perfectly worthy point for my hon. Friend to make, as he is interested only in defending the interests of British exporters who may feel offended by downgrading or the proclamation of second division status. We shall certainly study that.

Let me stress that the Government have twin objectives. They are firmly committed both to promoting United Kingdom project interests, and to the need for greater international restraint and openness in the use of soft finance. The latter is inevitably a long-term objective. We recognise that in the meantime British companies pursuing project business on the international market must be protected against the practices of other Governments in softening the terms of finance. The projects and export policy division of the Department of Trade and Industry was set up with the specific purpose of focusing Government support for firms seeking worthwhile project business overseas. The main instruments of financial support in addition to the ATP are ECGD's fixed rate export finance scheme, and the overseas projects fund from which support can be provided on a repayable basis towards certain pre-contractual costs.

I began my speech by describing why improvement in our foreign trade performance is important for job creation. May I put on the record some data that have been scandalously under-reported during the past few weeks? Exports of goods and services were the fastest-growing component of United Kingdom output in 1984, together with fixed investment. They are forecast to continue to grow strongly in 1985. Exports of non-oil goods and manufactures—this is an area of current interest to the House—reached all-time highs in volume terms in the first few months of this year. Excluding oil and erratic items, the volume growth for exports of manufactures in 1984 was 10·5 per cent., and for the three months to May the volume was 11 per cent. up on the comparable period last year. Incidentally, on the same basis, the volume of imports has increased by only 5 per cent.

The House will agree that it would be helpful if those who comment on the trade figures pointed out that these dramatic figures are probably the biggest increases for 10 years. Of course, exporters have achieved those impressive figures, not the Government. Government support measures can contribute on the margin, and I should stress that our contribution is still useful, especially in helping small firms. Recent studies to examine the impact of several BOTB services suggest that companies using them in one year will win additional export business of more than £2 billion.

I have every reason to conclude on a positive note. I agree with my hon. Friend that increasing our share of world trade will help us to embark on the best possible job creation programme. I welcome my hon. Friend's positive suggestions. If he believes that there are some points to which I have not responded comprehensively this afternoon, I am sure that my right hon. Friend the Minister for Trade will get in touch with him when he returns to the United Kingdom.

Question put and agreed to.

Adjourned accordingly at six minutes past Three o'clock.

House of Commons

Monday 8 July 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

CAMBRIDGE CITY COUNCIL BILL

Read the third time, and passed.

Oral Answers to Questions

WALES

Unemployment and Health

1. **Mrs. Clwyd** asked the Secretary of State for Wales what studies are available to him of the relationship between unemployment and health; what consideration he has given to them; and if he will make a statement.

The Parliamentary Under-Secretary of State for Wales (Mr. Wyn Roberts): My right hon. Friend and I are aware that a number of studies have considered whether there might be any relationship between unemployment and health. All have shown how difficult it is to isolate the factors which contribute to the need for health care. We are committed to targeting health care resources in response to needs, no matter how those needs arise.

Mrs. Clwyd: Is the Minister aware that at least 3,000 people have died because of unemployment, according to official data based on the 1971 census figures? Is he further aware that thousands more people have become chronically sick as a result of unemployment? How many more people have to die because of the Government's policies?

Mr. Roberts: I repeat that there is no direct proven causal connection between unemployment and ill health. I remind the hon. Lady that when she last alleged that connection in the Welsh Grand Committee in March, and I asked her for the material on which she based her view, she sent me an article from *The Lancet*, which simply reiterated what I have just said—that it is extremely difficult to prove any causal connection.

Mr. Hubbard-Miles: Does my hon. Friend agree that there is a close relationship between strike action, health and unemployment, in that many of the strikes that have been supported——

Mr. Speaker: Order. The question is about unemployment and health.

Mr. Hubbard-Miles: I was about to point out, Mr. Speaker, that strike action creates unemployment. Does not strike action in the Health Service lengthen the waiting lists for inpatients and outpatients? How did the strike action in 1981 affect those waiting lists?

Mr. Roberts: There is no doubt, because the figures prove it, that the strike action in the Health Service to which my hon. Friend referred lengthened the waiting lists.

Mr. Foot: Do not all the reports on the valley towns show the deepening crisis and the social consequences—no doubt partly due to mass unemployment, but also to other factors? Rather than making such complacent replies, why do the Minister and his right hon. Friend not go to the Cabinet to try to obtain the additional resources needed to fight the consequences of their policies?

Mr. Roberts: Of course there are reports from the valley towns, but, quite frankly, the reports to which the right hon. Gentleman referred and their conclusions are certainly not helped by, for example, strike action. There is a housing problem in the Cynon Valley, represented by the hon. Lady, but it was not improved by the coal strike.

Mr. Geraint Howells: May I ask——

Mr. Rowlands: What has the coal strike to do with it?

Mr. Speaker: Order. We must get back to unemployment and health.

Mr. Howells: Will the Minister tell us how many of those unemployed in the Health Service in Wales will be unemployed next year?

Mr. Roberts: The hon. Gentleman knows that there has been a tremendous increase in staffing in the NHS in Wales.

Mr. Coleman: How many?

Mr. Roberts: I shall answer the hon. Gentleman. There was a 15·6 per cent. increase in front-line staff in the NHS in Wales between 1979 and 1984.

On current pay awards, it is very much to be hoped that they can be contained within the increased allocations given to health authorities in Wales, with, perhaps, a certain amount more being saved by authorities.

Mr. Barry Jones: The Minister would do well to read today's *Western Mail*, in which Mr. Rodger Dobson's compelling and disturbing article relates the link between unemployment and bad health. Does the Minister understand that the Sneddon family, and tens of thousands like them throughout Wales, desperately need the hope of work? Was not the brutal message from Brecon that the people of Wales want more work and an end to unemployment?

Mr. Roberts: One of the messages of Brecon and Radnor was that the Labour party has little to crow about today. Of course we all want a decline in unemployment.

Labour Statistics

2. **Sir Anthony Meyer** asked the Secretary of State for Wales what information he has as to the percentage of workers in Wales employed in firms, industries, services or processes that have been established in Wales since 1965.

The Secretary of State for Wales (Mr. Nicholas Edwards): Comprehensive information is not available.

However, new manufacturing units known to have opened in Wales since the end of 1965 and still in production directly provide some 72,000 manufacturing jobs, some 35 per cent. of the total number of employees in employment in manufacturing as at December 1984.

Sir Anthony Meyer: Is it not clear that those figures do not give the whole picture? Should not the Government concentrate greater resources on promoting the growth of new jobs and new industries and not on attempting to arrest the necessary decline of some traditional industries?

Mr. Edwards: Although I agree that we should not attempt to arrest necessary decline, the introduction of new technology and the modernisation of existing industry is an important contribution to economic recovery. Some 400 manufacturing plants have opened since May 1979 and they already provide about 18,000 jobs. Many have only just started to take on employees and will provide considerably more jobs in due course.

Mr. Allan Rogers: I am aware that the Secretary of State and his Department have done much to attract new industries to south Wales, but will he devote the same attention to existing industries? When W. Ribbons in the Rhonnda wanted some help from the Department, the Secretary of State was swanning around Finland. What did he bring back from Finland?

Mr. Edwards: The hon. Gentleman might be unaware that I went at the invitation of a company which directly employs 250 people in north Wales and which will provide 800 or 900 jobs in the forestry industry in Wales. I also visited a company which is the 50 per cent. shareholder of British Tissues, which employs many hundreds of people in south Wales. As the hon. Gentleman says, helping the development of existing industry is important. I hope that he will not belittle our efforts to ensure that those industries are strengthened and enlarged.

Mr. Gwilym Jones: Does my right hon. Friend agree that the Government have a creditable record in promoting new jobs since 1979, especially through overseas investment in Wales? Does he further agree that that record could be even better if it were not for the negative chorus from the Opposition, who revel in high unemployment and all things unattractive?

Mr. Edwards: Inward investment from overseas is undoubtedly an important contributory factor to the modernisation of Welsh industry, but we should not exaggerate. Of the 1,000 or so manufacturing units which still exist and have come into being during the past 20 years, only about 65 represent direct inward investment, whereas nearly half represent small companies starting up new businesses. That type of indigenous development is important for the future.

Mr. Barry Jones: The right hon. Gentleman is far too complacent. He has not told us, for example, about Inmos today. Does he realise that under his regime 103,000 manufacturing jobs have disappeared in Wales since he took office? Did not the Brecon electorate brutally dismiss his policies as wretched failures? Is it not the case that the policies must be changed or the endangered species behind him will lose their seats?

Mr. Edwards: I do not believe that anything that I said to the House about the changes necessary in industry showed complacency. What is undoubtedly a matter of congratulation is that we are attracting new jobs. Since last Question Time there has been the announcement from Control Data at Brynmawr of 100 new jobs, from Shopco (U.K.) Ltd of 100 new jobs and that NDN Aircraft is to manufacture new aircraft in Cardiff creating 100 new jobs. I am sure that the hon. Gentleman will welcome the announcement by Seddons in the Delyn enterprise zone that it will take on about 250 people. I am not for one moment suggesting that we do not need a great deal more, but to suggest that that record of attracting new business and new industry smacks of complacency is absurd.

Secondary Schools (Expenditure)

3. **Mr. Knox** asked the Secretary of State for Wales how much was spent per pupil in secondary schools in Wales in the most recent year for which figures are available; and how this compares with the figure for 1978-79, at constant prices.

The Minister of State, Welsh Office (Mr. John Stradling Thomas): At 1983-84 prices, spending per secondary school pupil in Wales was £905 in 1978-79 and £1,006 in 1983-84. That is an increase of 11 per cent.

Mr. Knox: Does my hon. Friend agree that those figures show satisfactory improvements since 1978-79? Do the Government intend to make more resources available for Welsh language education?

Mr. Stradling Thomas: The figures are satisfactory, yes, but I am never satisfied. The charge of complacency levelled against us on any issue is a parrot cry. The figures are a refutation of the parrot cry about cuts. There has been no cut. There has been an 11 per cent. increase. In reply to the second part of my hon. Friend's question, I have been giving careful consideration to calls for the establishment of a Welsh language education development body. When I met a deputation of six different Welsh language groups on that issue on 25 June——

Mr. Ray Powell: Come on. The hon. Gentleman is taking too long.

Mr. Speaker: Order.

Mr. Stradling Thomas: Thank you, Mr. Speaker. The hon. Member for Ogmore (Mr. Powell) has a genius for interruption, but makes little constructive contribution. At that meeting I made it clear that I would not hold out any false hopes, because I must consider resources for Welsh language education alongside all other competing calls, and reconcile my final decision within the overriding public expenditure constraints, which are essential if we are to maintain the economy on the right lines.

Mr. Rowlands: Will the hon. Gentleman give similar figures in relation to school books and school library expenditure? I do not know whether he has children attending Welsh secondary schools. We have, and we notice the dog-eared books that they are bringing home, the lack of books and the shared books. Will we return to the slate and the chalk under this Government?

Mr. Stradling Thomas: Capitation and the management of their resources is entirely a matter for the local authorities and not for central Government.

Mr. Grist: Does my hon. Friend accept that one of the other changes in secondary schools in Wales since 1979, as elsewhere in the United Kingdom, has been the sharp

fall in the number of pupils, and that resources for pupils might be better employed were some authorities to consider school amalgamations.

Mr. Stradling Thomas: Yes, of course, Mr. Speaker. I accept that local education authorities have a difficult task to perform against a background of falling rolls. I have asked them to come to see me so that we may discuss that matter constructively to see how best it can be resolved.

Mr. Roy Hughes: Does the Minister appreciate that the rosy picture that he is trying to paint is not borne out by the facts? For example, the teachers' dispute drags on, and without a contented labour force to take charge of the schools our children will be at a disadvantage. When will the Government provide the means to bring about a just settlement for the teachers?

Mr. Stradling Thomas: As the House will be aware, the Government's position has been made clear all along. There is no question of more money to fund an excessive public sector wages settlement. Furthermore, the hon. Gentleman will be aware that responsibility for the teachers' pay negotiations does not rest with me.

Labour Statistics

4. **Mr. Parry** asked the Secretary of State for Wales if he will make a statement on the latest level of unemployment in North Wales.

Mr. Nicholas Edwards: Current levels of unemployment remain high, but considerable progress continues to be made in developing the area and attracting new investment.

Mr. Parry: Is the Minister aware that, under this Government, unemployment in north Wales has nearly doubled? Is that not a disgrace? Does the Secretary of State accept that job losses in the steel and textile industries, particularly in the Flint area, affect regions such as Merseyside, which, over the weekend, saw another 700 jobs lost at the Plessey factory at Huyton? When does the Secretary of State expect the economy to upturn so that we can provide more jobs in north Wales and Merseyside?

Mr. Edwards: I am aware of the problems in north Wales and Merseyside. That is one of the reasons why the Government have spent some £350 million on roads and industrial infrastructure and enterprise zones in Clwyd since we came into office in 1979.

Mr. Raffan: I joined my right hon. Friend in welcoming last week's announcement that the garment manufacturer Seddons is to set up a new plant in Delyn enterprise zone, employing initially 140 people. Is he aware that Delyn borough council expects to make a further significant job announcement within the next month?

Mr. Edwards: I noticed Mr. Sharps doing a television broadcast recently in which he was optimistic about the prospects for that enterprise trust. I congratulate the local authority on the drive and energy that it has been putting behind the zone.

Mr. D. E. Thomas: When will the Secretary of State be in a position to make an announcement about the availability of EC aid in areas of rural north Wales which are not at the moment within assisted area zones?

Mr. Edwards: The hon. Gentleman will be aware that we are still considering that matter. I cannot give him a firm date.

Mr. Barry Jones: The right hon. Gentleman is too serene in his ignorance. Is it not the case that in Clwyd and Gwynedd there are 37,000 jobless people and some 2,000 vacancies? Has he the guts to tell the Prime Minister to change her economic policy, or does he remain her lackey?

Mr. Edwards: The hon. Gentleman should be aware, if he visits his constituency, of the considerable new investment there, and the fact that it is one of the most attractive areas in the whole of the United Kingdom for foreign investment and for new companies setting up. That should be a matter for pleasure and congratulation.

5. **Dr. Marek** asked the Secretary of State for Wales what are the latest unemployment figures available for the Wrexham area and for Wales.

Mr. Nicholas Edwards: Some 7,736 and 173,422 respectively.

Dr. Marek: The Secretary of State knows that he was unable to do anything about the Courtaulds closure. Dunlop is now proposing to close, and the Secretary of State, in an answer to me on Friday, was able to say only that he could take into account Clwyd's detailed proposals for allocation of planned resources. Will the Secretary of State do something to avert the closure at Dunlop? If he cannot, how long will he stay as Secretary of State, with the appalling level of unemployment in the Principality? The right hon. Gentleman should either do something about it or resign.

Mr. Edwards: The hon. Gentleman should remember that in the past 12 months, in the Wrexham area, Laura Ashley, Metal Box, F.W. Bender, TetraPak and Sharp Corporation have announced new or major expansion projects. I have already pointed out that the Government have spent at least £350 million on industrial measures in Clwyd, and we shall continue to use every means at our disposal to attract new investment to the area.

Mr. Abse: Given the fruitless hard work that the Secretary of State for Wales recently put into the Brecon and Radnor by-election, and as unemployment was one of the main issues at Brecon, what statement will the right hon. Gentleman make on the by-election result? Does he not think that he owes to Wales, now that it has given its verdict on his employment policy, a full statement as to what new steps are to be taken? Will he merely repeat the old lessons and tell Wales that under this Government it must endure the same sort of unemployment as we have seen in the past few years? Has the Minister no comment to make on the Brecon and Radnor result?

Mr. Edwards: All political parties should consider carefully the results of by-elections. I shall do so. The Labour party will no doubt also consider the complete panic of the electorate when it suddenly realised that it might elect a Labour Member of Parliament. When one watches and listens to the performance of the hon. Gentleman, who can blame it?

Sir Anthony Meyer: Just which of the policies being advanced by the Opposition does my right hon. Friend consider would be most productive in bringing fresh jobs into Wales?

Mr. Edwards: One feature of the Brecon and Radnor by-election was that the Opposition parties did not advance any policies, and that they were careful not to do so. The only close ally and supporter of the Labour party who advanced any policies was Mr. Scargill. He was the gentleman whom everybody on the Opposition Benches supported throughout the strike but who was so destructive of Welsh industry and Welsh employment.

Mr. Anderson: How would the Secretary of State explain to the man on the top deck of the Brecon omnibus the logic of falling regional aid at a time of rising unemployment? Does the new "middle way" include a rethink of regional policy?

Mr. Edwards: I know enough about Brecon and Radnor to know that they do not have double-decker buses there.

Mr. Ray Powell: Despite the arrogance of the Secretary of State in his replies to some of the questions, particularly about unemployment in Wales and the Brecon and Radnor by-election, is he prepared to offer the House and the country an apology for his statement regarding disabled people when he referred to the Brecon and Radnor by-election?

Mr. Speaker: Order. That is very wide of this question, which deals with unemployment.

Mr. Edwards: None the less, Mr. Speaker, I welcome this opportunity to say that I have already written to a number of people expressing my regret and apologies for a carelessly phrased off-the-cuff remark that I should not have made. As someone who has introduced a major measure for the improvement of the care of the mentally handicapped and who has a close relative who is mentally handicapped, the last thing that I should wish to do would be to cause offence. Of course I apologise.

Mr. Anderson: On a point of order, Mr. Speaker——

Mr. Speaker: Order. I shall take points of order later. We are running behind time.

Vale of Glamorgan (Road Traffic)

6. **Sir Raymond Gower** asked the Secretary of State for Wales what recent complaints and reports he has received of excessive traffic of heavy vehicles on roads for which he is responsible within the area of the Vale of Glamorgan; what discussions he has had with the highway authority on the matter; and what steps are contemplated to reduce or divert such traffic.

Mr. John Stradling Thomas: I am responsible only for trunk roads within the Vale of Glamorgan area, but I am aware of the problems that have arisen on county roads and have received representations from my hon. Friend and others about the heavy lorries travelling through Dinas Powys, Llysworney and Colwinston. I hope that the matter can be resolved in the very near future.

Sir Raymond Gower: Is my hon. Friend aware that the excessive traffic of heavy vehicles on some of these roads has underlined the need for bypasses of Dinas Powys, Aberthin Llysworney and Colwinston? The county council asserts that the lack of capital funds limits its ability to carry out these projects. Will my hon. Friend discuss these matters with the county council?

Mr. Stradling Thomas: My officials are in touch with the county council and I know that it has traffic management proposals in mind for the immediate future. It has in mind proposals for a bypass of Dinas Powys and in addition is considering the possibility of traffic management measures. I am also informed that the county council is considering whether to include in its programme the proposed bypass of Llysworney. However, I must remind the House that the priority given to any of these road improvement schemes and to any scheme at Colwinston is a matter for the county council.

Labour Statistics

8. **Mr. Barry Jones** asked the Secretary of State for Wales how many people in Wales are jobless; how many were jobless in May 1979; by how much the total has increased as a figure and as a percentage; and what is the current figure of long-term unemployed.

Mr. Nicholas Edwards: On 13 June 1985 there were 173,422 unemployed claimants in Wales. The increase over the estimated equivalent figure of 77,200 in May 1979 is 96,222 or 124·6 per cent. The latest figure for the long-term unemployed relates to April 1985, when 75,573 had been unemloyed in Wales for over one year.

Mr. Jones: Given those frightening figures, why cannot Wales benefit from a major change in economic policy? Does the right hon. Gentleman not understand that the Welsh people want their welfare state strengthened and unemployment tackled with urgency? Does the right hon. Gentleman not realise that the rejection at Brecon and Radnor of his personal nominee, Mr. Butler, who was an adviser of the Prime Minister and the right hon. Gentleman, represents a crushing vote of no confidence in Welsh Office Ministers?

Mr. Edwards: I agree that the Brecon and Radnor electorate want the welfare state to be strengthened. That aim will continue to be the Government's policy. The economic growth that is taking place provides the best guarantee for future employment. I very much welcome the recent statements by the CBI Welsh Council, which show the growing optimism of those in industry for economic activity in Wales.

Sir Raymond Gower: Is there not much evidence throughout the Western world that politicians and other people are most anxious that economic recovery should lead to a reduction in unemployment? Is it not nonsense to pretend that there are people in this country who want high unemployment?

Mr. Edwards: Yes, Sir.

Mr. James Callaghan: Whatever is happening in the rest of the Western world, can the right hon. Gentleman give my constituents any reassurance about the proposed closure of the Cardiff veterinary investigation centre, with the halving of staff numbers, and the possible loss of 200 staff in the Export Credits Guarantee Department? This morning I received representations from two constituents who are worried about their future employment.

Mr. Edwards: The right hon. Gentleman knows that my right hon. Friend the Minister of Agriculture, Fisheries and Food put forward a consultative paper on the future of the veterinary service. We are considering representations on that matter. On the ECGD, I understand that the

management has put forward some proposals for future re-organisation within the ECGD. At present, no details of the manpower consequences are available. This matter is at an early stage of consultation.

Mr. Raffan: Will my right hon. Friend remind the Labour party that last year Wales obtained nearly a quarter of the total jobs created by inward investment in the United Kingdom — four times as many as Labour's feeble Welsh Office team created during the Labour Government's last year of office?

Mr. Edwards: That is true. We have had that remarkable record for a part of the United Kingdom that represents 5 per cent. of the population. I am glad to say that, of the 1,000 or so manufacturing units in Wales that are known to have opened during the past 20 years, about 400—40 per cent.—have opened since May 1979.

Mr. Coleman: Is the right hon. Gentleman aware that the unemployment percentages that he cited in answer to the question by my hon. Friend the Member for Alyn and Deeside (Mr. Jones) will be further increased by redundancies at BP Llandarcy and Star Wrought Products at Briton Ferry? One thousand jobs have been lost during the past three months in the borough of Neath. When will the right hon. Gentleman change his regional policies? Does he not realise that, because of the policies pursued by the Labour Government, when he came to office unemployment in Neath was much lower than it is now? When will the right hon. Gentleman do something about this? Why does he not get out?

Mr. Edwards: I should have thought that the hon. Gentleman would at least welcome the decrease of about 5,000 in unemployment in Wales compared with last month and the considerable relative improvement in Neath's position. That improvement was introduced during the last regional policy review.

M4 (Coryton Junction)

9. **Mr. Gareth Wardell** asked the Secretary of State for Wales when he now expects to carry out repairs to the area of badly pitted road surface on the westbound carriageway of the M4 at a point about three and a half miles east of the Coryton junction.

Mr. John Stradling Thomas: I am pleased to say that repair work was completed on 24 June.

Mr. Wardell: On 14 February the Minister told me that remedial work would take place as soon as weather conditions improved. As it has taken a considerable time to remedy the position, will the hon. Gentleman look seriously at the possibility of lighting the whole of the M4 in Wales? When repairs are needed, potential accident spots occur. Better lighting would reduce risks and the danger to lives when people are travelling on the motorway.

Mr. Stradling Thomas: The hon. Gentleman is quite right that I advised him on 14 February last that remedial works would take place as soon as weather conditions permitted, because repairs of this nature are best carried out in favourable weather. The point about lighting is quite outwith the terms of the question, but I shall consider the matter. I give no undertaking.

Mr. Gwilym Jones: As the road in question is located in my constituency, may I urge my hon. Friend to squash flat any notion that the M4 is a disincentive in attracting people to come to Cardiff, as has happened with the way in which the Severn bridge has been hyped up out of all proportion by the media and by Opposition Members?

Mr. Stradling Thomas: I am in complete sympathy with the point of view of my hon. Friend. I believe that a disservice has been done by exaggerating any difficulties that may have occurred at the Severn bridge or anywhere else on the M4.

Mr. Roy Hughes: Is it not time that the Welsh Office took more interest in what is happening on the M4? For instance, can the hon. Gentleman tell the House what steps have been taken by his Department to notify the disabled of their right to travel free over the Severn bridge, particularly bearing in mind the exorbitant increases that are in operation?

Mr. Stradling Thomas: I will, of course, look into the matter to see exactly what steps have been taken, and will let the hon. Gentleman know. I totally reject any suggestion that my Department has not been very closely involved in anything to do with the M4 in relation to its importance to the south Wales economy.

Sheepmeat Regime

10. **Mr. D. E. Thomas** asked the Secretary of State for Wales whether he is satisfied with the operation of the European Economic Community's sheepmeat regime in Wales; and if he will make a statement.

Mr. Nicholas Edwards: Yes, Sir. The sheepmeat regime has brought substantial benefits to Welsh sheep producers, who have a guaranteed price for fat lambs under the sheep variable premium scheme. Breeders also benefit from an annual premium on ewes and the breeding flock has been increasing by 2 to 3 per cent. a year. In the last full marketing year, 1983-84, the regime resulted in payments of £56·8 million to Welsh sheep producers.

Mr. Thomas: How can the Secretary of State be satisfied with the operation of a regime which is now being used to penalise sheepmeat producers in the United Kingdom, and in Wales in particular? Is he satisfied with the present gap operating in the premia and what is his view of the future of the premium? Will it be phased out by the Community?

Mr. Edwards: We have fought resolutely for the sheepmeat regime, which this Government introduced, and which has led to the substantial increase in the flock in Wales. I believe that it has made an enormous contribution to the rural economy. As the hon. Gentleman knows, it was not possible to secure entirely satisfactory modifications to the clawback arrangements, to which I think he was referring. However, we shall continue to press for changes to alleviate the difficulties caused by clawback. The exemption from clawback for our exports outside the Community has been renewed to the end of 1987.

Mr. Barry Jones: Does the right hon. Gentleman appreciate that the industry wants him to make a better fight for the sheep farmer than he did for the small dairy farmer?

Mr. Edwards: As I pointed out, we are talking about the sheepmeat regime, which was introduced by this Government in 1980 and which has been the biggest boost to the sheep industry in Wales that there has ever been.

Labour Statistics

11. **Mr. Ray Powell** asked the Secretary of State for Wales what are the latest figures for unemployment in *(a)* Ogmore, *(b)* Mid-Glamorgan and *(c)* Wales; what were the equivalent figures in May 1979; and what is the percentage increase in each case.

Mr. Nicholas Edwards: On 13 June 1985 the number of unemployed claimants were 4,545, 34,657 and 173,422 respectively. In Wales the comparable figure is 77,200 in May 1979, representing an increase of 124·6 per cent. A comparable claimant-based figure for 1979 in Ogmore and Mid-Glamorgan is not available.

Mr. Ray Powell: Does the Secretary of State realise that the 124 per cent. increase since 1979 about which he talks means, so far as Ogmore is concerned, that, with the closure of St. John's colliery, as a result of which 830 miners have lost their jobs, the percentage increase could rise to such an extent that 45 per cent. of male people in Maesteg will be seeking employment? Does he not think it is time that the Government, as a result of their defeat in the Brecon and Radnor by-election, changed their economic and social policies, and looked seriously at communities such as Maesteg, which suffer so badly when a colliery is closed?

Mr. Edwards: I understand the problems of communities such as Maesteg, but during the past year projects from Invacare, Acrian, Align Rite, Biomet and the Chronar Corporation have been announced in the Bridgend area and promise about 1,200 new jobs. There are problems among the older industries, but we are succeeding in attracting many of the new technologies and new industries to the area.

Mr. Hubbard-Miles: Does my right hon. Friend agree that the statements of the hon. Member for Ogmore (Mr. Powell) would sound rather more convincing if he had not supported the miners' strike, despite the fact that 70 per cent. of the miners in his constituency voted against it? However, we are all concerned about unemployment and I should like to know whether my right hon. Friend has any news about future employment prospects at Borg Warner at Kenvig Hill, which are extremely important to my constituency?

Mr. Edwards: My hon. Friend will know that about 600 jobs at Borg Warner have been under threat for a considerable time. It was with a good deal of pleasure that we heard that the company is proposing a new use for the factory and has applied for selective financial assistance, which is being considered by the Welsh Industrial Development Advisory Board. I am deeply concerned that the proposals that the Borg Warner management has put to the work force appear to have been rejected. I hope that the members of the work force will consider carefully the future of the plant. It would be tragic if the prospect of 600 secure jobs were put at risk by a careless and irresponsible approach to a serious proposition from the management.

PAYMASTER GENERAL

Government Expenditure

20. **Mr. Chapman** asked the Paymaster-General how many staff in his Department have the responsibility for providing the Treasury with up-to-date information on central Government expenditure; and if he will make a statement.

The Paymaster-General (Mr. John Selwyn Gummer): One member of my Department's staff, a senior executive officer, is responsible for providing the Treasury with details of the amounts being paid out to meet the claims arising against central Government accounts during the course of the day's banking operations. In addition, three times each month computer tapes containing detailed analyses of voted expenditure authorised by Government Departments during the previous month are sent to the Treasury. These are produced by a computer system maintained by 13 clerical and technical staff.

Mr. Chapman: I am grateful to my hon. Friend for that information. In view of the deserved reputation that his Department has in its efficient role in acting as the Government's banker, will he tell us whether he has received any representations or complaints about his role? Does he accept that it would be a good idea if the responsibilities of his Department were extended so that the Department acted as the banker for local authorities, bearing in mind the continual overshoot of local councils, which are responsible for about a quarter of all public expenditure?

Mr. Gummer: I am happy to tell my hon. Friend that my staff in the Paymaster General's office have a deserved reputation for carrying out the Department's role as the Government's banker extremely efficiently. If that role were to be extended, that would be a matter for the Treasury. There is no doubt that the staff do an extremely good job.

Mr. Winnick: Would it not be useful if the hon. Gentleman, as Paymaster General and chairman of the Conservative party, informed the Cabinet that there is no enthusiasm throughout the country for further public spending cuts? Surely that is the No. 1 lesson from the result of the Brecon and Radnor by-election. Why do Ministers go on about the presentation of policy when what is at issue is the policy itself?

Mr. Gummer: If the hon. Gentleman had bothered to examine the facts he would have learnt that Government expenditure cuts in the National Health Service, for example, amounted to considerable increases in spending in real terms. The Government are now spending more per child in school than at any time in our history, again in real terms. The hon. Gentleman would do better to check his facts before speaking in the House. If he did that, he would never speak.

Mr. Stokes: I congratulate my hon. Friend on the way in which he has some say in looking after the nation's finances with such a minute staff. Does he realise that not everyone shares the desire of the Opposition for greater public expenditure? Does he further realise that if public expenditure is to be reduced, even his small staff could become smaller still?

Mr. Gummer: We should boast about the expansion of public expenditure where that is a good thing, and provide better services and boast, too, about the cutting of public expenditure when that reduces the waste that was so much a mark of the Labour Government.

Mr. James Callaghan: Is it the Government's policy to make cuts and represent them as increases, or to make increases and represent them as cuts?

Mr. Gummer: It is the Government's policy not to find themselves going to the International Monetary Fund as a debtor nation, but to continue to be a nation respected throughout the world for financial probity, which was not the mark of the Government when the right hon. Gentleman was Prime Minister.

Mr. Knox: Will my hon. Friend ensure that none of the civil servants at present concerned with the administration of pensions will be transferred to providing other statistics for the Treasury?

Mr. Gummer: That certainly would not be a good thing, because since 1984 there have been only two complaints from Members of Parliament about the administration of pensions, although we provide 1·1 million pensioners with their pensions every year. That is a very good comment about my staff, in this, their 150th anniversary year.

Mr. Rowlands: As chairman of the Conservative party, does the hon. Gentleman support the view that the disastrous decline of the Conservative vote in Brecon and Radnor is due entirely to presentation, not policies?

Mr. Speaker: A bit wide, I think.

Mr. Gummer: The question asked by the hon. Member for Merthyr Tydfil and Rhymney (Mr. Rowlands) has little to do with my responsibilities as Paymaster General, but I am willing to answer it in my role as chairman of the Conservative party. The answer is simply this——

Mr. Speaker: Order. Two wrongs will not make it right. We should stick to the Paymaster General's responsibilities.

Mr. Gummer: I shall answer as Paymaster General. We monitor Government expenditure, and we see clearly that the Government are spending more money in the areas that matter and less where it would be wasted.

Mr. Peter Bruinvels: Bearing in mind that my hon. Friend acts as the Government's banker, is he satisfied that his 840 members of staff are monitoring properly and most carefully the payment of all cheques coming out of the Crawley offices? Will my hon. Friend confirm that it is his aim not only to reduce the number of cheques being paid but to reduce public expenditure, something of which the Conservative party should be proud?

Mr. Gummer: I adhere to the principle that this nation should reduce the proportion of its wealth that is spent by the Government and continue to increase the proportion of its wealth that is spent by the people who make it. That must be the principle of government. It is also the principle of government to ensure that those in need are effectively helped. For that reason we have increased Government expenditure in the areas where it provides decent homes, schools, Health Service facilities and pensions. I am proud of our record in all those areas.

Mr. Anderson: On the principle of spending more money where it matters and less where it goes to waste, is the Paymaster General proud of the fact that since 1979 expenditure on overseas aid has decreased by 18 per cent. and is now at the lowest level ever?

Mr. Gummer: I am proud of the fact that in a period of extreme difficulty we have a better record on overseas aid than almost any other country in the world.

Dr. McDonald: Is the Paymaster General aware that, in spite of the hard work of the staff in his Department, Ministers, including the Chancellor, who does not seem to know whether he has found a "middle way" on public spending, have made confused and conflicting statements about the role of public spending? How many staff in his Department will be transferred from providing information to providing public relations, in a belated effort, following the Brecon disaster, to soften the Government's hard-nosed image on public spending? Will not that PR in itself be a substitute for any effort to restore public spending cuts?

Mr. Gummer: The hon. Lady seems to have failed to remember that the disaster of Brecon and Radnor was the fact that her leader placed his own personal reputation on the line — *[Interruption.]* — and three quarters of her right hon. and hon. Friends went down to show that he did. The fact of Brecon and Radnor was this: once the people there feared that they might have a Labour Member of Parliament they did everything in their power to make sure that Labour's candidate did not win.

WALES

Llanwern Steelworks

12. **Mr. Roy Hughes** asked the Secretary of State for Wales if he has had any recent discussions with the chairman of the British Steel Corporation concerning the future of Llanwern steelworks.

Mr. Nicholas Edwards: I met the chairman in May and in June for wide-ranging discussions.

Mr. Hughes: How much longer is the haggling, which is doing untold harm to the steelworks, to go on? Why do the Government not resolve to reaffirm the stand taken by the Secretary of State for the Environment in December 1982, which was that the five integrated plants should remain? Why do they not also announce the Concast scheme for Llanwern?

Mr. Edwards: In a debate in which the hon. Gentleman took part, my hon. Friend the Minister of State, Department of Trade and Industry said that the corporate plan would be presented to the Government by the end of July. In the light of that, I have nothing further to add, except to repeat that I am confident about the future of Llanwern.

Mr. Foot: Will the Secretary of State finally bring this matter to a conclusion? Can he not tell the country and the House that Llanwern will go ahead, and that it has a wonderful record? Will he finally make his mind up on the matter?

Mr. Edwards: I have made my position and my confidence in the future of Llanwern absolutely clear. The right hon. Gentleman, who has had experience of the

closure of steelworks while in government, will know that there are many difficult issues to be resolved about the future capacity and plans of the industry. The proper way for the Government to proceed is to wait for the proposals of the British Steel Corporation in its corporate plan, and then to take decisions on them.

Sir Raymond Gower: Do not the splendid performances of both management and employees at the works at Llanwern and Port Talbot entitle them to some assurance that both these works will continue for a long time?

Mr. Edwards: On many occasions I have said that the splendid performance of the workers at those two steel plants is by far the best guarantee of their future. As I have said, at present we are making a massive investment in Port Talbot, and I have great confidence in the future of Llanwern. While I have been in government I have, fortunately, never had to consider any proposal from the BSC for the closure of Llanwern. Therefore, some of the threats and allegations made have been purely hypothetical.

THE ARTS

Mr. Freud: On a point of order, Mr. Speaker.

Mr. Speaker: Order. I shall take points of order afterwards. Otherwise, it will take time out of the hon. Gentleman's question, which is No. 21.

Mr. Freud: On a point of order, Mr. Speaker.

Mr. Speaker: Order. I shall take the point of order afterwards. Otherwise it will take time out of this short question period.

Mr. Freud: On a point of order, Mr. Speaker. The point of order is on the arts.

Mr. Speaker: Order. I shall take it afterwards. Does the hon. Gentleman want to ask question 21?

Mr. Freud: On a point of order, Mr. Speaker.

Mr. Speaker: Order. I have no authority to allow injury time for questions. Does the hon. Gentleman want to ask question 21?

Mr. Freud: Yes.

Objects in Lieu of Tax

21. **Mr. Freud** asked the Parliamentary Under-Secretary of State answering in respect of the Arts what recent representations the Minister for the Arts has received concerning the allocation for acceptance of works of art in lieu of tax; and whether he will make a statement.

The Parliamentary Under-Secretary of State for the Environment (Sir George Young): My noble Friend is advised on the allocation of acceptance-in-lieu offers by the Museums and Galleries Commission. He occasionally receives other representations from interested parties.

Mr. Freud: While we have great respect for the Parliamentary Under-Secretary of State for the Environment, the hon. Member for Ealing, Acton (Sir G. Young), who is answering, does he accept that already nobody answers for the arts in this House, and that we are now being presented with the monkey twice removed from the organ grinder?

Is the hon. Gentleman aware that we are in danger of losing our heritage because of the wholly unacceptable position that pertains to works of art which are accepted in lieu of tax. Will he bear in mind that the Government make good money from the arts market? Will he also bear in mind the Government's promise to look at tax incentives for the arts? We have them for the live arts. Will he please extend those incentives to the arts in respect of pictures and museums?

Sir George Young: On the first point, my hon. Friend the Parliamentary Under-Secretary for the Environment, the hon. Member for Bristol, West (Mr. Waldegrave), wrote to the hon. Gentleman explaining that he had to be in Helsinki from 7 to 10 July to lead the United Kingdom delegation to the international convention on long-range transboundary air pollution. On the substantive question, the hon. Gentleman knows that the Government are reviewing arrangements for funding acceptance-in-lieu transactions. My noble Friend hopes to make an announcement at the earliest opportunity.

Mr. Alan Howarth: While I welcome what my hon. Friend said, does he agree that if the system is to fulfil its purpose it will not be satisfactory simply to lift the amount available for acceptance-in-lieu transactions from £2 million to some other arbitrary ceiling? Does he agree that we should unequivocally commit ourselves to ensuring that it will be possible to retain a strictly limited category of pre-eminent items for our heritage?

Sir George Young: I can tell my hon. Friend that the more fundamental issues that he just mentioned are covered by the review. I shall ensure that my noble Friend is made aware of my hon. Friend's strong views.

Mr. Sheldon: Will the hon. Gentleman relate to the Parliamentary Under-Secretary of State for the Environment who usually answers questions on the arts in this Chamber the dissatisfaction of the House that he is away dealing not with the arts but with something different? That is unsatisfactory, because his first duty should be to the House. Will the Minister bear in mind the fact that the Getty money and the large sums that are available for the purchase of works of art mean that the Treasury will have to reconsider these matters? It has lost some good opportunities for obtaining bargains. We look forward to a further consideration of such matters by the Treasury, guided by the Minister for the Arts.

Sir George Young: As the right hon. Gentleman will know, the Treasury is an important partner in this review. The points that he has just made will be considered by all those who take part in it. I hope that my noble Friend will be able to announce the conclusion of the review before long.

Mr. Faulds: Does the Minister agree that there has been a quite unacceptable delay in rescinding this ludicrous ceiling on the in lieu arrangements? Does he realise that all of us in this House back the Minister in his wish to smash this ceiling and ensure the retention of these treasures in Britain? Will he manage to prevail upon his hon. and noble Friend—or whatever the fellow is called —to get the Treasury to pull its costive finger out on this issue?

Sir George Young: I cannot accept the allegation that there has been undue delay. On 24 April my noble Friend announced that the review would take place, and I have

just said that he hopes to make an announcement on its conclusions in the very near future. That is not too long a period for a review on such an important subject.

National Heritage Memorial Fund

22. **Mr. Chapman** asked the Parliamentary Under-Secretary of State answering in respect of the Arts how many persons employed in the Office of Arts and Libraries have direct or indirect responsibility in connection with the administration of the National Heritage Memorial Fund; and if he will make a statement.

Sir George Young: The National Heritage Memorial Fund is an autonomous body and its administration is undertaken by its staff. However, a small percentage of the time of three Office of Arts and Libraries staff is given to administrative issues associated with the fund.

Mr. Chapman: I am grateful to my hon. Friend for that answer. Although I appreciate that the fund is an autonomous body, does my hon. Friend accept that when the fund receives special applications for grants to save what, by any criteria, are important examples of Britain's great architectural heritage, the Department should sympathetically consider continuing to provide extra financial assistance to the fund so that it may discharge its duties for the benefit of our people?

Sir George Young: As my hon. Friend knows, the Government made a special allocation of £25 million earlier this year to enable the fund to help to ensure the future of Weston Park, Kedleston and Nostell Priory. The fund's negotiations on those three major properties are well advanced. As to my hon. Friend's broader point, the fund's annual report states:

"We have good reason for confidence not only in this Government's commitment to the objectives of conservation, but in their willingness to provide adequate funds to achieve those objectives."

Mr. Latham: Is one of those three officials responsible for monitoring section 16 of the National Heritage Act 1980? If so, will he sort out the nonsense that has arisen over the indemnity arrangements for the Kessler art exhibition?

Sir George Young: I have seen the letter which my hon. Friend wrote to my hon. Friend the Under-Secretary of State on 2 July. I am sorry that the Tate gallery had apparently re-interpreted some rules which previously applied. We are in discussions with the Tate gallery, and I hope that the matter can be satisfactorily resolved.

Funding

23. **Mr. Tony Lloyd** asked the Parliamentary Under Secretary of State answering in respect of the Arts if the Minister for the Arts has any plans to meet North-West Arts to discuss provision for the overall funding of the arts in the context of the Government's plans to abolish the metropolitan counties; and if he will make a statement.

Sir George Young: My noble Friend met the director of North-West Arts and the directors of a number of other regional arts associations on 7 June and had a very useful discussion on post-abolition funding for the arts.

Mr. Lloyd: Is the Minister aware that we in the north-west believe that the amount of centrally allocated money that will be made available should the metropolitan authorities be abolished is grossly inadequate? Does he also recognise that the Arts Council is not considered to be an unbiased allocator of funds, especially to areas such as the north-west? In those circumstances, will he use the same principles as were used in the Priestley report to guarantee that the funding announced by central Government will go to the north-west to ensure that the Royal Exchange, the Halle orchestra and other such organisations of national importance receive the money that they need to allow them to continue?

Sir George Young: I am slightly surprised to hear the hon. Gentleman say that the Arts Council is biased in the regional distribution of funds, because this year's total allocation to North-West Arts represented a 17 per cent. increase on last year's grant. The Royal Exchange has received more funding from the Arts Council than has any other regional theatre. With respect to the hon. Gentleman, I think that the Arts Council has discharged its obligation to the north-west as fairly as it can.

Mr. Jessel : May we have an assurance that the financial grants and targets will be adjusted to make it possible for Manchester and Liverpool — both great cities—to make some contribution to the arts, as they obviously wish to do?

Sir George Young: As my hon. Friend knows, my noble Friend was able to set aside £34 million in replacement of metropolitan county spending, of which £16 million went to the Arts Council, £1 million to the British Film Institute and £17 million to museums and galleries. The districts will be spared the task of having to raise the precept to hand on to the top tier authorities once they are abolished. That should give them the freedom to support worthwhile artistic institutions in their localities.

Mr. Jim Callaghan: In view of the Arts Council's estimate that if and when the GLC and the six metropolitan counties are abolished there will be a shortfall of £46 million, and since the Arts Council is to be funded to the tune of £16 million, may we have a categorical assurance that the shortfall to North-West Arts of £790,000 will be met in full?

Sir George Young: The Arts Council will be seeing my noble Friend shortly to discuss provisions for the 1986-87 budget, as is normal at this time of the year. I am sure that that will be one of the matters that it will wish to raise with him.

Mr. Buchan: Is it not unfortunate that the Minister is deputy to a deputy? He might have been warned that in the last month there was a £30 million shortfall below estimate for all the arts, including North-West Arts. Is it not a fact that no guarantee has been forthcoming for the north-west or for other areas? Next year there will be £30 million short for a start. Will the Government replace that money, or not?

Sir George Young: I must make it clear that the Government do not accept the Arts Council's estimate of the shortfall, which includes provision for some capital items which the GLC and the metropolitan counties have not provided, and a number of other items which fall more

appropriately to the district councils. I cannot accept the premise. Of course, my hon. friend the Member for Bristol, West would have answered the question better than I, but at least my answers have been shorn of the Latin and Greek analogies, which I understand adorn his remarks.

Parliamentary Questions (Stratford-on-Avon)

3.33 pm

Mr. Andrew Faulds (Warley, East): On a point of order, Mr. Speaker. Question No. 28 begins

"**Mr. Alan Howarth** (Stratford-on-Avon):"

The hon. Gentleman, who is a very admirable and likeable Member, has the privilege of representing myself, my wife, my daughter and my two grandsons and some dozen thousand others. He is wrong, or the Table Office is wrong, in giving to that historic and distinguished town the name of "Stratford-on-Avon". There is no such place. It is called "Stratford-upon-Avon".

Mr. Speaker: It is probably an abbreviation.

Mr. Alan Howarth (Stratford-on-Avon): Further to that point of order, Mr. Speaker. This matter has been the subject of a long-running discussion over many years. Any hope of resolving the issue this afternoon requires more courage than the history of the controversy justifies.

Later—

Mr. Merlyn Rees (Morley and Leeds, South): Further to that point of order, Mr. Speaker. Continuing my campaign against the boundary commissioners, not against their chairman, I was most perturbed to hear that a mistake had been made in the name of Stratford-upon-Avon. Will you, as Chairman, keep an eye on the boundary commissioners as they are so daft that they will rename it at the drop of a hat?

Mr. Speaker: I, too, feel very strongly about constituency names. I shall keep a careful eye on the matter.

Secretary of State for Wales (Statement)

3.34 pm

Mr. Ray Powell (Ogmore): On a point of order, Mr. Speaker. You were kind enough to listen to my point of order a week ago concerning the occasion when my right hon. Friend the Member for Manchester, Wythenshawe (Mr. Morris) asked the Prime Minister about the statement by the Secretary of State for Wales, in which he compared the opposition in the Brecon and Radnor by-election to a mixture of the Mafia and the mentally handicapped, on the ground that neither candidate was allowed out without a minder. The Prime Minister denied that her Secretary of State for Wales would make such a statement. You, Mr. Speaker, said that it was not a point of order. Is it now a point of order? Will you request the Prime Minister, who made a false declaration to the House of Commons, to apologise? We have received an apology from the Secretary of State, but I thought that I should raise the issue at Question Time so that the Secretary of State can apologise not only to the House and the nation but particularly to the people whom he tried to debase——

Mr. Speaker: Order. I think that I have got the drift. It was not a point of order for me when the hon. Gentleman first raised it and it is not a point of order for me now. I heard what the Secretary of State said and I hope that honour is now satisfied.

Later—

Mr. Ray Powell: Further to that point of order, Mr. Speaker. I seek your further advice and guidance. If you cannot make a ruling on the matter, although the Prime Minister deliberately misled the nation and the House, can the Leader of the House advise us when he will ask the Prime Minister to make a statement to the House on the issue that I have raised?

Mr. Speaker: The Leader of the House is in the Chamber.

Arts Question Time

3.36 pm

Mr. Clement Freud (Cambridgeshire, North-East): On a point of order, Mr. Speaker. You will accept that Question Time gives Members the opportunity to question a Minister who has specific responsibilities. You will also know that the subject of the arts is allocated 10 minutes every three weeks. I hope that you will make a ruling on this. As the Minister responsible is already far removed from us and has a junior Minister answering for him, what is the point in having questions answered by yet another Minister, even further removed from the relevant responsibility, as happened today?

Mr. Speaker: It is not a matter for me which Minister answers questions. That is clearly not one of my responsibilities.

Mr. Norman Buchan (Paisley, South): Further to that point of order, Mr. Speaker. We all recognise that this is not your direct responsibility, but you are the guardian of the interests of the House and especially of Back Benchers. For nearly two years we have suffered the disadvantage of having to deal with the deputy of a deputy. As the distinguished hon. Member for Cambridgeshire, North-East (Mr. Freud) put it, it is not even the organ grinder's monkey but the monkey's monkey. The deputy has been absent from the House in connection with a totally different matter. If we cannot have more than 10 minutes in three weeks, there should be some guarantee that the questions are answered by a Minister with some direct involvement in and responsibility for the arts. I accept the comment of the deputy's deputy that his answers were at least devoid of Latin tags, but the Latin tag was usually the best part of the answer. I hope that something can be said through you, Mr. Speaker, to the effect that safeguarding the interests of the house should have some precedence in the mind of the First Lord of the Treasury.

Mr. Speaker: So far as I am concerned, this House should always have priority. The Leader of the House is here. No doubt he has heard what has been said. I cannot pursue the matter further, as it is not my responsibility.

Board and Lodging Regulations

3.38 pm

Mr. Roland Boyes (Houghton and Washington): On a point of order, Mr. Speaker.

Mr. Speaker: Is this a different point of order?

Mr. Boyes: It is a completely different point of order, Mr. Speaker.

Mr. Speaker: Good.

Mr. Boyes: You and I share a common concern, Mr. Speaker, when Ministers make announcements to the press and not to Members of Parliament. This weekend the Minister for Social Security informed us through *The Observer* newspaper that Ernst and Whinney is to carry out an inquiry into provisions on residential care in relation to the new board and lodging regulations. I seek your advice on how best to go about getting the Minister into the Chamber to inform Members of Parliament of his intentions so that we can question him. More importantly, as the board and lodging regulations have been proved to be flawed, as shown by the fact that the Government have already had to change them, and as Ernst and Whinney was involved in determining the level of payment to youngsters, would not the Government do better to listen to what the Opposition have to say about the regulations so that we can help to get them correct? I seek your guidance, Mr. Speaker, on how to get the Minister into the Chamber.

Mr. Speaker: It is true that the hon. Gentleman and I share a concern about these matters, but it is not a matter for me whether statements are made outside the House. The hon. Gentleman may have his opportunity during DHSS questions on 16 July.

Local Government Bill

Mr. Tony Banks (Newham, North-West): On a point of order, Mr. Speaker. As a fellow keeper of law and order in debating chambers, may I crave your indulgence—especially as the Leader of the House is present—on an important matter relating to the business on which we are about to embark? Until Thursday, hon. Members were unaware of its timetabling, which has clearly left hon. Members on both sides of the House insufficient time to consider the reasoned amendments made by their Lordships in another place.

The complication arises because, I assume, it was organised some time ago that the Scottish Grand Committee should meet this morning at the Crown Office buildings in Regent road, Edinburgh. How is it possible for hon. Members in this Chamber so to delay the commencement of the next piece of business that it will allow a number of concerned Scottish Members to get back to the House to vote?

Mr. Speaker: The hon. Gentleman shares with me an extremely difficult task, but I do not think that he would expect me to advise him on tactics, any more than he would advise his members in county hall on the tactics that they might use.

Local Government Bill (Allocation of Time)

3.42 pm

The Secretary of State for the Environment (Mr. Patrick Jenkin): I beg to move, That the Order of the House [11th February] be supplemented as follows:—

LORDS AMENDMENTS

1.—(1) The proceedings on Consideration of Lords Amendments shall be completed at this day's sitting. Those Amendments shall be taken in the order shown in the Table set out below, and, subject to the provisions of the Order of 11th February, each part of those proceedings shall, if not previously brought to a conclusion, be brought to a conclusion at the time specified in the second column of that Table.

Table

Lords Amendments	Time for conclusion
Nos. 1 to 3	6.00 p.m.
Nos. 4 to 8	7.45 p.m.
Nos. 9 to 12	8.45 p.m.
Nos. 13 to 42	9.15 p.m.
Nos. 43 to 47	10.00 p.m.
Nos. 48, 92 to 94, 49 to 91 and 95 to 98	Midnight

(2) Paragraph (1) of the Standing Order No. 3 (Exempted business) shall apply to the proceedings for two hours after Ten o'clock.

2.—(1) For the purpose of bringing any proceedings to a conclusion in accordance with paragraph 1 above:—

(a) Mr. Speaker shall first put forthwith any Question which has already been proposed from the Chair and not yet decided and, if that Question is for the amendment of a Lords Amendment, shall then put forthwith the Question on any further Amendment of the said Lords Amendment moved by a Minister of the Crown and on any Motion moved by a Minister of the Crown, That this House doth agree or disagree with the Lords in the said Lords Amendment, or, as the case may be, in the said Lords Amendment, as amended;

(b) Mr. Speaker shall then designate such of the remaining Lords Amendments as appear to him to involve questions of Privilege, and shall—

(i) put forthwith the Question on any amendment moved by a Minister of the Crown to a Lords amendment and then put forthwith the Question on any Motion made by a Minister of the Crown, That this House doth agree or disagree with the Lords in their Amendment, or, as the case may be, in their Amendment as amended;

(ii) put forthwith the Question on any Motion made by a Minister of the Crown, That this House doth disagree with the Lords in a Lords Amendment;

(iii) put forthwith with respect to each Amendment designated by Mr. Speaker which has not been disposed of, the Question That this House doth agree with the Lords in their Amendment; and

(iv) put forthwith the Question, That this House doth agree with the Lords in all the remaining Lords Amendments;

(c) as soon as the House has agreed or disagreed with the Lords in any of their Amendments Mr. Speaker shall put forthwith a separate Question on any other Amendment moved by a Minister of the Crown relevant to that Lords Amendment.

(2) Proceeding under sub-paragraph (1) above shall not be interrupted under any Standing Order relating to the sittings of the House.

Stages subsequent to first Consideration of Lords Amendments

3. The proceedings on any further Message from the Lords on the Bill shall be brought to a conclusion one hour after the commencement of the proceedings.

4. For the purpose of bringing those proceedings to a conclusion—

(a) Mr. Speaker shall first put forthwith any Question which has already been proposed from the Chair and

[The Secretary of State for the Environment]

not yet decided, and shall then put forthwith the Question on any Motion made by a Minister of the Crown which is related to the Question already proposed from the Chair;

(b) Mr. Speaker shall then designate such of the remaining items in the Lords Message as appear to him to involve questions of Privilege and shall—

(i) put forthwith the Question on any Motion made by a Minister of the Crown on any item;

(ii) in the case of each remaining item designated by Mr. Speaker, put forthwith the Question, That this House doth agree with the Lords in their Proposal; and

(iii) put forthwith the Question, That this House doth agree with the Lords in all the remaining Lords Proposals.

Supplemental

5. — (1) In this paragraph 'the proceedings' means proceedings on any further Message from the Lords on the Bill, on the appointment and quorum of a Committee to draw up Reasons and the Report of such a Committee.

(2) Mr. Speaker shall put forthwith the Question on any Motion made by a Minister of the Crown for the consideration forthwith of the Message or, as the case may be, for the appointment and quorum of the Committee.

(3) A Committee appointed to draw up Reasons shall report before the conclusion of the sitting at which they are appointed.

(4) Paragraph (1) of Standing Order No. 3 (Exempted business) shall apply to the proceedings.

(5) No dilatory Motion with respect to, or in the course of, the proceedings shall be made except by a member of the Government, and the Question on any such Motion shall be put forthwith.

(6) If the proceedings are interrupted by a Motion for the Adjournment of the House under Standing Order No. 10 (Adjournment on specific and important matter that should have urgent consideration) a period equal to the duration of the proceedings on the Motion shall be added to the period at the end of which the proceedings are to be brought to a conclusion.

As last week, so today the hon. Member for Newham, North-West (Mr. Banks) has made a great fuss about the fact that we are debating the Bill and that we intended to move this motion. I would have more sympathy if the GLC and the metropolitan counties had not obviously devoted all their energies between then and now to putting advertisements in the press rather than tabling amendments to the House, but that is exactly their priority, and it has been their priority throughout.

We shall be debating amendments that have come to this Chamber from another place. I am astonished that, if the issues are so serious, the Opposition actually want to spend time debating the timetable motion. I would have been quite happy to move the motion and take it on the nod so that we could get on to the substantive issues.

No one can now claim that the Bill has not had adequate time for debate. Despite the guillotine in this House, the time spent was over 200 hours. That was double the time spent on the 1963 London Government Bill, and nearly as much as on the 1972 Local Government Bill—almost twice the length of this Bill and covering the whole of England and Wales.

So it was also in another place. There was a long day's debate on Second reading, with a formidable list of speakers. There were 10 days of Committee stage discussion stretching late into the night on virtually every occasion. There were then six days on Report and a full day's debate on Third Reading—all in all, almost 120 hours of debate altogether in the other place. Lord Buckmaster calculated that that amounted to over a million words.

The principles of the Bill have been widely supported in both Houses of Parliament. The Bill received a Second Reading in this House by a majority of 135 and a Third Reading by a majority of 155. In another place the reasoned amendment moved on Second Reading was rejected by a majority of 126—a majority of more than two to one in the Government's favour. On some issues, notably the so-called "Voice for London" issue, the votes in another place came a trifle closer — that I shall concede—but always the proposal was rejected. I might remind the House that when that issue was debated on Report in this House the proposal was rejected by 335 votes to 193—a majority of 142.

The other place has returned the Bill to us with 98 amendments—far fewer than the 280 Lords amendments on the London Government Bill. Of these 98, 76 are straightforward and the Government will invite the House to accept them as they stand or with minor drafting changes. Worthy of note are the amendments which provide for a committee of councillors from the London boroughs to consider planning issues in place of the London Planning Commission originally proposed in the Bill, the amendment calling for a report on countryside matters, the amendment deleting the order-making power to break up the Inner London Education Authority, and the amendments providing for the continuity of a number of specialist services.

The two issues of substance on which the Government will invite the House to take a different view from their Lordships concern highways and road traffic and waste disposal.

There is plenty of time to debate those issues. Although I recognise that the Opposition and some of my hon. Friends want to add to or amend some of the Lords amendments, as far as I can see they all concern issues which have already been argued fully in this House and in another place at earlier stages of the Bill. Although it is perfectly right to return to those matters now, we consider that the proposed time is reasonable.

I understand that the Opposition will oppose the timetable motion. Are they really saying that the whole day, extending, as the motion provides, until midnight, is too little time to debate these issues fully? [HON. MEMBERS: "Yes."] Opposition Members have had but one tactic throughout this legislation — to delay it just as long as they can. They failed to win the case on its merits. They had hoped to emasculate the Bill in another place, but they failed there too. It is now right and proper that we bring debate on the Bill to a conclusion and get on with the job. That is the purpose of this motion, and I commend it to the House.

Mr. Speaker: The Question is, The Local Government Bill allocation of time motion. Mr. Tony Banks.

3.47 pm

Mr. Jack Straw (Blackburn) *rose*——

Mr. Speaker: Does the hon. Member for Blackburn (Mr. Straw) wish to speak first?

Mr. Straw: Yes. I defer, as always, to the chairman of the Greater London council, but I hope that he will not mind, if, this time, I speak before him, with, of course, his permission.

My good and hon. Friend the Member for Copeland (Dr. Cunningham) is unavoidably absent today. Nothing would have given him greater pleasure than to be here to lead the fight.

We oppose the motion because it is constitutionally unacceptable that seven major debates on issues central to the operation of the Bill should be crammed into no more than six hours of debate today. For the Government to suggest that we should not have taken the one hour to discuss general principles is verging on the hypocritical because, had they thought that the principles were important enough to be discussed, they could have allowed more time.

The Bill would implement the Conservative party's manifesto commitment of June 1983, which said:

"The Metropolitan Councils and the Greater London Council have been shown to be a wasteful and unnecessary tier of government. We shall abolish them and return most of their functions to the boroughs and the districts."

The White Paper — the so-called "Streamlining the Cities" White Paper — tried to expand on those aims. We were told that the Bill would do three things: transfer most functions to the lower tier, remove an unnecessary tier of government and achieve major savings. The electorate was told before June 1983 that £120 million would be saved.

Another reason why we need much more time to debate the Bill is that, even if it is passed in its present form, it will be a failure when set against the aims which the Government have set for it. The Secretary of State said the Bill had not been emasculated. He has obviously not read or listened to what happened to the Bill in this House and in the other place. It does not transfer most functions to lower-tier authorities. Of 42 major functions currently operated by the GLC or the metropolitan counties, 32, that is 75 per cent., are to be transferred wholly or substantially to countywide bodies, including fire, police, almost certainly waste disposal, passenger transport, financial services and waste management. In case the Secretary of State has missed this, since the White Paper, thanks to the effectiveness of the opposition in this House and outside, 25 functions have been substantially altered to provide now for countywide control.

Secondly, this measure does not remove an unnecessary tier of government. Indeed, progress on the Bill has confirmed the unavoidable need for countywide services, but what the Bill has removed is democratically elected control of those countywide services. If anybody denies that, let the Secretary of State contradict the figures which show that in the Greater London area 60 per cent. of the spending will still be undertaken by countywide bodies. In the metropolitan areas, it will be 90 per cent. of spending.

Thirdly, this measure will not produce the savings which were so wildly claimed for it at the general election. That claim of £120 million is in today's prices worth £140 million. It was scaled down in the explanatory memorandum to the Bill when it was first published at the end of last November, and it is an issue on which Ministers are coy, to say the least. We have had a succession of Ministers from other Departments, such as the Minister of State, Department of Transport, saying, "Wherever that £100 million is coming from, it is not coming from passenger transport." The Minister of State, Home Office is saying, "Wherever that £100 million is coming from, it is not coming from the fire service or the police or from civil defence."

In the Secretary of State's speech, not a word was said about the great claim that this measure would save £120 million. The Public Accounts Committee will find him out after others have seen to his demise from his present high office. However much creative accounting it goes in for, the Public Accounts Committee will find that this measure will not save money, but will increase costs. The Coopers and Lybrand studies, which the Minister has never sought to contradict, show that for marginal recurrent savings there had to be set against one-off savings of between £272 million and £407 million.

Another reason why we need more time to debate this measure is that it will in no way streamline the cities, because in the place of seven great authorities there will be 62 quangos, joint boards and joint committees and five Government Departments with enhanced powers. Did any Conservative Members in supporting the manifestos in 1979 and 1983, take account of the fact that it would be a matter of voting for more quangos, more joint boards and more centralised control? That will be the result of the Bill.

The Bill has never been anything more than an unprincipled, spiteful and vindictive attack on seven great local authorities for no reason other than that they are Labour. Many Ministers, including the Minister of State, have had to eat their hats, and to eat their former words in support of the GLC and the metropolitan counties.

Will the Secretary of State seek the Prime Minister's approval to release the letter which the Prime Minister sent after the Marshall inquiry to Mr. Cutler when he was leader of the Greater London council? We have not heard of that letter before, I understand on the very best of authority that after the Marshall inquiry Mr. Cutler wrote to the Prime Minister who was then Leader of the Opposition, asking her whether she wanted a further statutory inquiry. As I understand it, the right hon. Lady replied that she did not wish for a further statutory inquiry into the GLC, but wished to see the GLC preserved and said that the GLC was

"the jewel in the crown of Conservative local government."

Mr. Richard Tracey (Surbiton): Will the hon. Gentleman confirm that if his party were ever returned to government it would not bring back the GLC and the metropolitan counties in their present form? I emphasise "in their present form".

Mr. Straw: We should bring back a strategic authority for London in a better form. I am sorry to disappoint the hon. Gentleman, but my right hon. Friend the Leader of the Opposition has today released a letter which contains a categorical assurance that we shall reinstate democratic and directly elected control of countrywide services in every area to which the Bill applies.

We should be grateful for the fact that in piloting the measure through the House the Secretary of State has greatly contributed to the decline in the Government's popular support. There is no doubt that the Government forced this measure into their manifesto because they thought that it would increase their popularity, but, thanks to the opposition in the House and outside, it is one of the main reasons why the Government suffered a humiliating defeat last week and why they will suffer further such humiliating defeats next May in the local elections.

[Mr. Straw]

The Secretary of State claims to have won a series of votes. We are aware of the supine nature of the Government's supporters. We are aware that we may lose votes today, but we fight to win. Whatever votes we may lose, the Labour party has overwhelmingly won the arguments about this mean and nasty Bill, which will result in worse services, staff uncertainty, administrative chaos and increased costs for ratepayers and taxpayers. Above all, the Bill reduces the rights of 13 million electors to have a proper say about the services which directly affect them.

We shall fight the measure now. We shall continue to fight it in the future. At the next election, we shall be pledged to its repeal. Not least because of that pledge to repeal, when we are elected to power in 1987, we shall make the repeal of this measure one of the next Labour Government's first acts.

3.56 pm

Mr. Charles Morrison (Devizes): During the debates on the Bill I have often found myself in agreement with the hon. Member for Blackburn (Mr. Straw), but not today. I strongly support the timetable motion, in general, because I believe that Bills should be timetabled—a good Bill should not need 170 hours of debate—but in particular, because the sooner we get rid of this unfortunate Bill, this embarrassment for the Government, the sooner it is out of the way, the sooner will most people forget it and the better therefore will be the future chance of a Conservative Government.

I am one of that band, which has been small up to now, of Conservative Members who consistently over the past year or two have done their best to persuade the Government to desist from flinging down banana skins upon which they then slip. Unfortunately, the failure of my powers of persuasion were demonstrated with painful clarity by last Thursday's events. In future, I shall have to try harder and, I hope, with more support from my hon. Friends.

I should not be arguing for a quick end to the debate if there were a snowball's chance in hell of the Government listening to what was said, but with a severe attack of political deafness and a majority as large as it is, mere words are useless. I should argue differently if the majority were a more normal 40 or 50. If it had been, I doubt whether we would ever have had the Bill. Even if we had, such a majority would have ensured that we could have knocked more sense into the Bill.

I had high hopes of the other place. It has improved the Bill, and my hopes were raised when I saw it reported that my noble Friend Lord Whitelaw was against it. With his great political experience, that was not the least surprising. Sadly, however, even he and his colleagues were mostly, with honourable and noble exceptions, in the end whipped into line. The sooner we are done with this Bill the better. But though it may be forgotten by the majority, its ill effect will live with all those who live in London and the metropolitan counties. In the metropolitan areas a mass of districts, mostly controlled by the Left of the Labour party, will replace a mere six Labour metropolitan councils. That is hardly a good Conservative recipe for administration.

In London, the powers of the GLC will be administered partly by the London boroughs, mostly controlled by Labour, partly by an elected ILEA, but sure always to be controlled by Labour, partly by a residuary body, which has the benefit of an excellent chairman, and partly, and increasingly in my judgment, by Whitehall, as will become steadily clearer. The change-over will be chaotic and the cost very high. That will hardly please the electorate, nor will it uphold the old classical Tory belief in the maximum distribution of power. I trust that a general election will come before the chaos becomes too obvious. All this is to satisfy a sudden and ill-thought-out whim. It is a strange world in which we live, but it is time that a little more common sense was introduced into it.

4 pm

Mr. Tony Banks (Newham, North-West): The hon. Member for Devizes (Mr. Morrison) is clearly the voice of reason within the Conservative party. It is an echo that we have heard gathering strength throughout the passage of the Bill but it has still not convinced the Conservative Front Bench, particularly the person who inhabits No. 10 Downing Street. The hon. Gentleman has expressed fears that are clearly held by many reasonable Conservative Members.

The Government's guillotining of this latest stage of the Bill is entirely consistent with their tactics, which have been shoddy in the extreme throughout its passage through both Houses. We have been told that the Bill was conceived in haste and in malice by the Prime Minister. It has been nurtured on the lies propagated by the *Daily Mail*, *The Sun*, and the *Daily Express* and it has been dragooned through Parliament by a bunch of placemen prostituting what is left of their political principles. From that, I exonerate both the Secretary of State and the Minister for Local Government who clearly revealed that they had no political principles to start with.

We have been told by the Secretary of State that we have had many hours of debate on the Bill. Indeed, we have, but most of it has been sustained by the Opposition during the Committee stage. When we reach the later amendments we shall no doubt have a repeat of what we have seen before. The Conservative Benches will be completely denuded of Members, save the few miserable rejects on the Government Front Bench and some of their Parliamentary Private Secretaries who are forced to sit behind them and appear loyal. The rest will disappear because Tories are embarrassed by what their Government are doing.

The Government have used secrecy, deceit and plain dishonesty in their efforts to abolish the GLC and the metropolitan county councils.

Mr. Frank Dobson (Holborn and St. Pancras): Conservative Members are asleep.

Mr. Banks: I do not believe that they are asleep. I believe that it is a new thing called "political osmosis". They hope to get some sense through the green leather of the Benches on which their heads rest. There is no credible support for the Bill. Ninety amendments were made in another place and major principles were established and changed, yet we are to have only about six hours' debate.

Mr. Harry Cowans (Tyne Bridge): I apologise for intervening in my hon. Friend's speech, but had the Secretary of State not been windy I would have said the same to him. Does my hon. Friend realise that those amendments were made at 11.30 pm last Wednesday in the other place, yet here we are on Monday, less than 48

sitting hours later, talking about those very amendments? Not only is the Bill being subjected to the guillotine, but it is being pushed through the House at the speed of light, which is a gross misuse of parliamentary privilege.

Mr. Banks: I agree entirely with my hon. Friend, but I believe that the hon. Member for Devizes got it right. The Government are severely embarrassed by the Bill. They want to try to rush it out as fast as they can. The hon. Member for Devizes was quite wrong to expect that, merely because the Bill is likely to be passed, somehow the electorate will forget about it. I remind him that the GLC and the metropolitan county councils will still exist until 31 March and no one believes that the GLC, of all bodies, will allow the London electorate to forget about this particular legislation.

I was on the point of reminding the House that "Streamlining the Cities" received about 5,000 responses, the overwhelming majority of which were implacably opposed to the Government's proposals. The Government cannot and have never been able to cite one independent, authoritative academic or professional body in support of abolition of the GLC and the metropolitan county councils. The Prime Minister's determination, which in certain respects, from a political point of view, can be considered to be admirable, has turned into sheer boneheadedness. She has permitted her judgment to be dominated by her political vindictiveness towards the GLC, and not one of the bunch of gutless ministerial non-entities who surround her has the courage to tell her the truth. She is taking her party towards political annihilation in London, and local government towards chaos throughout the country. There is overwhelming opposition to the Bill among the electorate as council by-elections and opinion polls clearly show.

The Tory party in London is now too frightened to fight elections. Of the four GLC by-elections called since May this year, the Tories have decided to fight only one, at Romford. That shows that no political principle can be involved. That by-election will be contested on Thursday and the Tories will lose it because of the Bill.

Mr. Bill Michie (Sheffield, Heeley): I can see why the Government are worried about elections and why they want to abolish the ballot box. Despite what goes out in the media, the Tories lost two of the safest seats in Sheffield in last Thursday's by-election. Are the Government to start abolishing district council elections as well?

Mr. Banks: I do not know whether they are about to abolish district council elections, but given their authoritarian nature it would not surprise me. My hon. Friend the Member for Sheffield, Heeley (Mr. Michie) is quite correct. The real impact of this Bill will be seen in the borough council elections in London and the district council elections in May 1986. From a Labour point of view, we expect to make a clean sweep throughout London. Westminster city council will go Labour in 1986 because of the Bill and the Government will be surrounded by their political enemies. Such thoughts comfort me at times like this.

Whatever happens to the Bill, there will be no comfort for the Government. They have never made anything other than the most generalised statements about their overall objectives. They have talked about massive savings as the reason for abolition, but those savings have never been quantified in any detail. The Government claim that £50 million a year will be saved by the abolition of the GLC, offset by £20 million in the first year because of transitional costs. We have never been given a breakdown of these figures despite repeated requests, and one or two parliamentary questions by myself.

Coopers and Lybrand estimate that the transitional costs resulting from abolition will total between £122 million and £167 million. Early-day motion 795, tabled in the names of a number of Conservative Members, draws the Government's attention to the estimate. I should like to know whether Ministers have asked their civil servants to look at the figures produced by Coopers and Lybrand to see whether they can fill any gaps in their woeful lack of information. The Government's £50 million a year estimate is considered by Coopers and Lybrand to be a substantial over-estimate because it takes no account of the increased costs of debt financing. These figures cannot be verified.

Policy changes, as Alan Greengross, the leader of the Conservative party at County hall has pointed out, could produce for the Government far more savings than they could ever get through abolition, but policy changes would mean that the Tory party would have to go out and win an election at the ballot box. That they have refused to do, and they have abolished the county level ballot box in London.

Mr. Terry Dicks (Hayes and Harlington): The hon. Gentleman is concerned about depriving Londoners of the democratic right to vote, but will he explain how many seats will be contested next year in the borough elections? Is that not an opportunity for Londoners to exercise their democratic rights?

Mr. Banks: Yes, and Londoners will take it, and they will sweep the Tories out of London. However, we are talking about county level elections, which have effectively been abolished in London, but which will be maintained in the shire elections. I cannot see what principle the hon. Gentleman is trying to prove.

The Government have claimed that the GLC services will be transferred to the boroughs and a so-called unnecessary tier of local government will be removed. However, as my hon. Friend the Member for Blackburn (Mr. Straw) has confirmed, it is not the GLC and the metropolitan council services that are to be abolished but rather democratic control over those who administer most of those services. He went on to show the number of functions that would be transferred wholly or substantially to countywide bodies.

Far from streamlining local government, Ministers are introducing proposals that will lead to about 195 successor bodies and authorities taking on GLC and metropolitan county council activities after abolition. If the Secretary of State believes that that is streamlining, it is clear that he would make an even worse job of design engineering than of local government.

Dr. Keith Hampson (Leeds, North-West): Has the hon. Gentleman forgotten that four key metropolitan county councils, the Labour parties in those districts and the GLC leader in London have called for the abolition of these authorities, and that it has taken the Leader of the Opposition since April, when he was asked by the leader

[Dr. Keith Hampson]

of the West Yorkshire county council whether he would restore the metropolitan county councils, to come up with a fudged compromise?

Mr. Banks: I have sat through every debate on this Bill, here and in Committee. I have heard our Front Bench clearly make statements that the GLC will be restored and that the next Labour Government will have to look at the whole structure of local government in the metropolitan areas. If the hon. Gentleman thinks that we are going to respond in the same knee-jerk way as the Prime Minister reacted when she read some of the bad publicity that the GLC was getting and said, "We will abolish it, off with its head", he does not understand the way that the Labour party works. We shall make sure that local government is put on a firm and sound footing, and that will involve us approaching the matter properly and democratically and not in the haphazard and undemocratic way of the Conservative party.

The electorate knows that this Bill is nonsense. It started off as a botched-up exercise in political vindictiveness and has now become the most absurd legislative proposal since the window tax. Everybody knows that the Bill will not work. We all know that it is nonsense, and yet it still limps towards the statute book. It does so simply because it is now all about the Prime Minister's face — the most expensive commodity in British politics today. That face sinks ships in the south Atlantic, wages war on trade unionists and the unemployed and undermines the economy. It is now set, against all reason, natural justice and the facts, to abolish the GLC and the MCCs.

The Bill is immoral and unworkable. It seeks to use parliamentary sovereignty to destroy an important part of local democracy and, by doing so, it brings both the law and the House into disrepute. In my first speech in this House I said that the abolition of the GLC would eventually destroy the Government. I see no reason to change that prediction. The coming Labour Government, as my right hon. Friend the Leader of the Opposition has made clear, will have to reorganise local government in London. At County hall, we are already working on a new, super and improved GLC, for the years to come. It will be larger and more powerful, and it will undoubtedly involve the abolition of the City of London. Perhaps, using some of the precedents established in the Bill, we shall abolish the City of London by Order in Council. We shall cite certain things that the Government have attempted to do with ILEA.

Politics is a funny business. It appears from the way that selections for parliamentary candidates in my party are going that half the current Labour group from County hall will be here to see the new, super, improved GLC being created, and I look forward to that.

In the meantime, abolition of the GLC will not end as an issue, even after the Royal Assent has been given. As chairman of the GLC, I give an unyielding promise to the Government that no political goodwill will be forthcoming from County hall between now and 31 March 1986. We shall do all that is necessary to protect jobs and services in London.

The Bill has become a spectacular embarrassment for the Government that even now most of them regret. It is no wonder that the Government wish to force the Bill through tonight by using the guillotine. The destruction of this particularly loathsome Government is all the consolation that I need if the GLC is to be abolished. The Bill will achieve that destruction.

4.16 pm

Mr. Tony Marlow (Northampton, North): We have just heard a turkey voting against Christmas.

One of the reassuring things about the Bill is that authoritarians in the Labour party say that it will lead to a reduction in democracy, but Mr. Ted Knight, the leader of Lambeth council, when he was defeated last week on a vote about rates, said that it did not make any difference and that he would continue his policies. He spat in the face of democracy, and that is what authoritarians in the Labour party always do.

One thing that the Bill will do——

Mr. Charles Morrison *rose*——

Mr. Marlow: I shall not give way.

One thing that the Bill will do — this is not its purpose, but a by-product of it — is to rid London of Ken Livingstone as leader of the GLC. That is ridding us of somebody who has done for local democracy what Josef Mengele has done for medicine—perverted his art with brutal and idiosyncratic practices—*[Interruption.]*

Mr. Speaker: Order. Only one hon. Member should be on his feet at a time. Is the hon. Gentleman giving way?

Mr. Marlow: Not at the moment, Mr. Speaker, but I shall give way later.

Mr. Tony Banks: On a point of order, Mr. Speaker. In the general guffawing that usually surrounds the speeches of the hon. Member for Northampton, North (Mr. Marlow), perhaps hon. Members missed the fact that he compared Ken Livingstone with the mass murderer of Jews in concentration camps. Is that not exceeding the normal bounds of decent debate?.

Mr. Speaker: Order. Every hon. Member must take responsibility for his speech.

Mr. Marlow: I have no intention whatever of withdrawing my remark, because of the way that I made it. We all know that Ken Livingstone is not a mass murderer, and that is not the point that I was making. I was making the point that he perverted the trust that was put in him in terms of local government, and he perverted that art through idiosyncratic and brutal experimentation against the people of London. Not only that, but he abused his trust by using vast amounts of ratepayers' money for publicity and propaganda that has fuelled the interests of the Labour party. This a disgrace, and the sooner the Widdicombe report comes out and does something about it the better.

Mr. Charles Morrison: I agree entirely with my hon. Friend's remarks about Mr. Ted Knight, but how will the Bill improve the position if it is to give more power to Mr. Ted Knight?

Mr. Marlow: We shall have to see what happens to Mr. Ted Knight in the fullness of time and what the ballot box says about him. My hon. Friend will then see that true democracy works. My hon. Friend views the Bill in a different way from me. He is in a small minority in the Conservative party. The reason why I am making these points is that the vast majority of Conservative Members

are whole-heartedly behind this measure. It brings democracy closer to the people and gives more control over what is happening to local people. That is why I support the motion.

4.20 pm

Mr. Simon Hughes (Southwark and Bermondsey): I can follow neither the extremism nor the bombast of the hon. Member for Northampton, North (Mr. Marlow). He is no doubt aggrieved that his rates in Lambeth are going down, and he will no doubt exercise his single ballot box vote there next year.

We have seven hours and twenty minutes in which to discuss the 98 amendments which were made by the other place. This is the exercise of the Government's use of the parliamentary chopper. Their first exercise of the chopper was to provide no debate within the Conservative party. They chopped any debate within the Cabinet. The Prime Minister decided to include this proposal in the general election manifesto. The second exercise of the electoral chopper was to chop any opportunity to hold a public inquiry and take expert evidence, as has always happened in the past when local government has been reformed. The Government have chopped any opportunity to listen to those who might know a little more about the working of local government than either the Secretary of State or his colleagues who have been given charge of the Bill.

The Government's third exercise of the parliamentary chopper was to chop the 1985 elections in London and in the six metropolitan counties of Britain. The Tories did not do all that well in the elections on their own ground, namely, the shire counties, let alone in the elections that might have taken place in the urban areas of Great Britain. Their fourth exercise of the parliamentary chopper was to chop the elected government of our capital city after a history that goes back 100 years. They have chopped regional government, municipal government and strategic government for the majority of citizens who live in the urban counties. Another exercise of the chopper is to guillotine this debate.

The history of the reaction to these proposals suggests that there is a bigger chop yet to come. The Government included this promise in their general election manifesto of 1983. Their vote went down. At the beginning of the general election campaign 44 per cent. of the population supported the Government, but three weeks later only 42 per cent. supported them. The shire county elections in England and Wales took place earlier this year. Throughout their history the Conservative party has been in control of the majority of the shire counties. It also controlled the Association of County Councils. The result of the Government's policies emanating from the Department of the Environment, their policies relating to local government and local government finance and their policy to make the people out there pay for what the Government are doing here means that they have lost control of the majority of shire counties in England. Their vote has gone down. For the first time ever they have lost control of the Association of County Councils.

What has happened when Members of Parliament have been elected? There have been a few by-elections since the Government first came to office. Only two seats have changed hands in by-elections. They were Tory seats. The Government had a majority of over 12,000 in Portsmouth, but they lost that by-election. That failure was also connected with their local government policies. In Brecon and Radnor the Government had a majority of over 8,000, but they lost that by-election, too. It will not have escaped the attention of the House that the Government lost those by-elections, not to the Labour party, but to the alliance. The message from the electorate of Brecon and Radnor and everywhere else is that because the Government do not respect local government, or local services, or the views of local people, they will be up for the chop at the end of this Parliament. That will be the result of the folly of their policies.

Mr. Allan Roberts (Bootle): Can the hon. Gentleman explain why, since the Conservative party lost control of the Association of County Councils, it has managed to take the majority of the chairmanships, with the support of the Liberals?

Mr. Hughes: The reason is that the Labour party is incompetent at organising itself and the Association of County Councils is unused to holding the balance of power. It was only under pressure from the alliance that it nominated a member of the Labour party to chair the Burnham committee to look after education, because of the protests of the Labour party.

Mr. Roberts: Will the hon. Gentleman give way again?

Mr. Hughes: No, I shall not give way again. The hon. Gentleman will have an opportunity to make his speech.

The result of this policy is that, contrary to all their protests and to what was said by the Secretary of State's predecessor, who is now the Secretary of State for Education and Science, the Government are giving more power to the Secretary of State and his successors, to quangos and to nominated or indirectly elected bodies. They are all equally inappropriate and inadequate substitutes for local government. We have watched the flight of confidence as people have been driven from their jobs, not only in county hall, but in the metropolitan county councils.

Crucial matters are to be debated today. However, they reflect only bits of policy, because the Government's policy was formed on the run and has not been thought out properly. All those who served on the Committee know that the Government had no answer to the question about who supported their proposals. They did not even have an answer, for half of the time, about their proposals. The bits of the Bill which were amended by the other place deal with strategic planning — hardly something which the Government presume can be carried out by borough or district councils. Highways and traffic management do not stop at borough boundaries and suddenly become somebody else's responsibility at a handover point, as happens when one crosses the Channel. It is ludicrous that these matters are not to be dealt with by countywide authorities.

The Government had no policy on waste disposal when the Bill was previously considered in this House. Waste disposal may not be one of the most exciting parts of the Bill, but if waste disposal goes wrong it will be an important matter for those who are concerned about the environment and who will have to cope with waste and rubbish in their cities and urban areas.

As for the Government's education proposals, it has been said for decades that education in London is better looked after by a cross-borough authority. The

[Mr. Hughes]

Government, it is said, ought therefore to have left it alone. Instead, they are not allowing county education structures to remain in place. The details and the principles need to be considered fully, not in a rushed debate. That is what the guillotine will imply.

Mr. Robert N. Wareing (Liverpool, West Derby): I take on board entirely and agree with the point made by the hon. Gentleman. His argument about waste disposal applies precisely to Merseyside, as it does to many of these other services. However, can the hon. Gentleman say what advice he would give to the electors of Liverpool, Mossley Hill? I understand that his hon. Friend the Member for Liverpool, Mossley Hill (Mr. Alton) has consistently supported the abolition of the metropolitan counties, against the interests of the people of Merseyside. Is not the only way to deal with the matter in Mossley Hill at the next general election to vote for the Labour candidate?

Mr. Hughes: I shall deal in a moment with that matter and all that goes with it, as well as with the statement this morning by the Leader of the Opposition. I repeat what the Government ought to bear in mind. At the beginning of the debate on the Bill the alliance made its view clear.—*[Laughter.]* It is no use the Labour party laughing, because it still does not have a clear policy.

Our position has been made clear for decades. London should again have—whatever the Government do—a regional authority. The rest of England should have regional authorities. The Labour party is still—it is entitled to take its time—sorting out whether it will replace county authorities with metropolitan authorities, whether it will have only district authorities, or whether it will have a combination of the two. However, we repeat what we said at the beginning, that the only satisfactory answer is to give London and the other areas proper regional government. Under that form of government regional functions such as transport, planning and waste disposal, which should have been provided many years ago, will be carried out.

Dr. Hampson: Can the House determine from that statement that the official view of the Liberal and Social Democratic parties is that the metropolitan counties should be abolished?

Mr. Hughes: We have always believed that the metropolitan counties should be replaced by regional government. We opposed the setting up of the metropolitan counties, and we have never liked them. *[Interruption.]* It will be done by regional government, with many of the powers which Whitehall and this Secretary of State and his successors will inherit. Perhaps the Government should have paid more heed to that message at the beginning.

I end with these two notes of warning to the Labour party and its policy makers and to the Government. They should notice that since 1982 the alliance, and not the Labour party, has done best in local elections in London —[HON. MEMBERS: "Not in London."] It is true. Labour Members may try to prove me wrong but they will not succeed. We have done better in London in local elections. We have been consistent in our policies and arguments on the issue. I hope that, one day, the Labour party will have a consistent approach and policy. Labour Members will not be the victims of what is primarily a Government folly. The Government intend passing powers to a residuary body. As a body, the Government were withering when the Bill was introduced. They will be the residuary body at the end of this exercise, and they will have only themselves to blame.

4.32 pm

Mr. Richard Tracey (Surbiton): I wonder whether any hon. Member or any person outside who hears this debate will be able to consider this as a serious debate. I suspect that this is the type of debate that brings the House into some disrepute. There is no doubt that the people know full well that the Government, who were elected with an overwhelming majority in 1983, had a policy to abolish the Greater London council and the metropolitan counties. In June 1983 a poll conducted by National Opinion Polls clearly showed that the public had little idea what the GLC did and saw no reason why it might not just as well be abolished. In the general election which followed soon after that poll the Conservatives won 56 of the 84 London seats that were up for election. If that did not represent an overwhelming majority vote for the Conservative party's policies, I should like to know what did.

Mr. Dave Nellist (Coventry, South-East): Will the hon. Gentleman give way?

Mr. Tracey: No doubt the hon. Gentleman will have an opportunity to speak in the debate.

Various politicians in the metropolitan counties have told us of their wish to abolish the metropolitan councils because they see no purpose in them. They believe that it is far better for democratic practices to be returned to the district councils, which have many more elected members representing a much smaller proportion of the population. The same applies in Greater London. I am sure that, once the people realise that their interests are represented by many more councillors, it will be an irrelevance to have a Greater London council.

Since the general election, £12 million has been spent by the GLC in an attempted brainwashing exercise. Almost £1 million has been spent by the metropolitan counties in doing the same thing. The latest intervention is a letter from the Leader of the Opposition which, we have been told, took him six months to write—no doubt, there was a lot of rewriting. We have been told that the Labour party is not committed to restoring the GLC and the metropolitan councils in their present form. This was confirmed by the hon. Member for Blackburn (Mr. Straw), speaking from the Front Bench, in reply to my intervention. The Opposition are committed to restoring what they call a strategic, democratically elected voice. That is a very different thing.

Mr. Nellist: Will the hon. Gentleman give way?

Mr. Tracey: The hon. Gentleman will have his opportunity to speak.

I ask the hon. Member for Blackburn and his Front Bench colleagues whether they believe that the district councils and the London borough councils are democratically elected bodies. If they are not, what are they? The hon. Gentleman and his colleagues know only too well that there are members of the Labour party in senior positions who share the view that the metropolitan councils and the GLC are superfluous and an irrelevance.

Mr. Tony Banks: Will the hon. Gentleman give way?

Mr. Tracey: I shall give way to the chairman of the GLC.

Mr. Banks: I am grateful to the hon. Gentleman for giving way to the right hon. chairman of the GLC. Will he reflect on this point? Of course the impending Labour Government will not bring back the GLC as currently established, because it has lost transport, housing, ambulance services and water and sewage services. It would be pointless bringing back the GLC as it is now. We want to bring it back with all those services added to it.

Mr. Tracey: I am sure that the House and the world outside will find it instructive to hear the right hon. chairman of the GLC make such a partisan statement. It is rather like you, Mr. Speaker, making a speech in a partisan way for, or against, the existence of the other place. I am sure that you would not do that——

Mr. Speaker: Order. Do not bring me into it, please.

Mr. Tracey: Willingly, Sir.

Mr. Dobson: On a point of order, Mr. Speaker. Is it not the case that whoever sits in your seat would be expected to support the concept of an elected democracy?

Mr. Speaker: That is a difficult question. I do not give my reasons.

Mr. Tracey: If a great mind like yours, Mr. Speaker, will not answer that intervention, I certainly will not try.

I remind the Opposition, who are spending so much time arguing against the Government delivering their manifesto commitments, of two statements. On 23 September 1983 the hon. Member for Birmingham, Perry Barr (Mr. Rooker), writing in his local newspaper, the *Sutton Coldfield News*, stated:

"I do not intend to lift one legislative finger to stop the return of single tier government to Birmingham. That was the view of all the city councillors and it was clearly the view of all West Midlands MPs before the Election."

He was referring, of course, to the 1983 general election.

Then very recently, in April 1985, Mr. Ken Livingstone, the leader of the Greater London council, wrote to the chairmen of his committees:

"We have never defended the GLC status quo and have always argued for an extension and development of our powers."

I realise that from the Labour party there is indeed a view that it wishes to go further and that it wants, of course, to abolish the shire county councils, but what we are asking for is that the Government's commitment in the manifesto should be delivered now without further ado to the population, and there should be no further talk about this matter. We should proceed to legislate.

4.41 pm

Mr. Chris Smith (Islington, South and Finsbury): I wish to make one brief point which I think goes to the kernel of the argument about the motion.

The kernel of the Bill is the removal from direct democracy of a whole range of powers which at present exist in the metropolitan counties and the Greater London council. If the House is to mean anything, it must be the watchdog of democracy against the dictatorship of the Executive. The Executive in the form of the Government are bringing forward the Bill to remove democracy from the hands of many of my constituents and many others throughout the country. It therefore behoves us——

It being one hour after the commencement of proceedings on the motion, MR. SPEAKER *put the Question pursuant to the order of the House of 11 February.*

The House divided: Ayes 285, Noes 166.

Division No. 255] **[4.41 pm**

AYES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Amess, David
Ancram, Michael
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Rt Hon Sir Frederic
Benyon, William
Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blaker, Rt Hon Sir Peter
Body, Richard
Bonsor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buck, Sir Antony
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Colvin, Michael
Coombs, Simon
Cope, John
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Dover, Den
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Forman, Nigel
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Glyn, Dr Alan
Goodlad, Alastair
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Haselhurst, Alan
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Heathcoat-Amory, David
Heseltine, Rt Hon Michael
Hickmet, Richard
Higgins, Rt Hon Terence L.
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irving, Charles
Jenkin, Rt Hon Patrick
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Knowles, Michael
Lamont, Norman

Latham, Michael
Lawler, Geoffrey
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Luce, Richard
McCrindle, Robert
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Madel, David
Major, John
Malins, Humfrey
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Mitchell, David *(NW Hants)*
Moate, Roger
Montgomery, Sir Fergus
Moore, John
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C.
Mudd, David
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parris, Matthew
Patten, J. *(Oxf W & Abdgn)*
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Portillo, Michael
Powell, Rt Hon J. E. *(S Down)*
Powell, William *(Corby)*
Powley, John
Price, Sir David
Prior, Rt Hon James
Proctor, K. Harvey
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridsdale, Sir Julian
Rifkind, Malcolm
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sainsbury, Hon Timothy
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shelton, William *(Streatham)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Tapsell, Sir Peter
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Walden, George
Walker, Bill *(T'side N)*
Wall, Sir Patrick
Waller, Gary
Walters, Dennis
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitney, Raymond
Wiggin, Jerry
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Carol Mather and
Mr. Robert Boscawen.

NOES

Alton, David
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bell, Stuart
Benn, Tony
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Hugh D. *(Provan)*
Brown, R. *(N'c'tle-u-Tyne N)*
Bruce, Malcolm
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Carter-Jones, Lewis
Cartwright, John
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Coleman, Donald
Conlan, Bernard
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cowans, Harry
Cox, Thomas *(Tooting)*
Cunliffe, Lawrence
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dixon, Donald
Dobson, Frank
Dormand, Jack
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Golding, John
Gould, Bryan
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Central Fife)*
Hardy, Peter
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Howells, Geraint
Hoyle, Douglas
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
John, Brynmor
Johnston, Sir Russell
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilroy-Silk, Robert
Kinnock, Rt Hon Neil
Lambie, David
Lamond, James
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
McCartney, Hugh
McDonald, Dr Oonagh
McKelvey, William
Maclennan, Robert
McNamara, Kevin
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Mason, Rt Hon Roy
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael
Michie, William
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
Owen, Rt Hon Dr David
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Rowlands, Ted
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Mrs R. *(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Steel, Rt Hon David
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Torney, Tom
Wainwright, R.
Wallace, James
Wareing, Robert
Weetch, Ken
White, James
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec
Wrigglesworth, Ian

Tellers for the Noes:
Mr. Allen McKay and
Mr. Frank Haynes.

Question accordingly agreed to.

Resolved,

That the Order of the House [11th February] be supplemented as follows:—

LORDS AMENDMENTS

1. — (1) The proceedings on Consideration of Lords Amendments shall be completed at this day's sitting. Those Amendments shall be taken in the order shown in the Table set out below, and, subject to the provisions of the Order of 11th February, each part of those proceedings shall, if not previously brought to a conclusion, be brought to a conclusion at the time specified in the second column of that Table.

TABLE

Lords Amendments	Time for conclusion
Nos. 1 to 3	6.00 p.m.
Nos. 4 to 8	7.45 p.m.
Nos. 9 to 12	8.45 p.m.
Nos. 13 to 42	9.15 p.m.
Nos. 43 to 47	10.00 p.m.
Nos. 48, 92 to 94, 49 to 91 and 95 to 98	Midnight

(2) Paragraph (1) of Standing Order No. 3 (Exempted business) shall apply to the proceedings for two hours after Ten o'clock.

2.—(1) For the purpose of bringing any proceedings to a conclusion in accordance with paragraph 1 above:—

(a) Mr. Speaker shall first put forthwith any Question which has already been proposed from the Chair and not yet decided and, if that Question is for the amendment of a Lords Amendment, shall then put forthwith the Question on any further Amendment of the said Lords Amendment moved by a Minister of the Crown and on any Motion moved by a Minister of the Crown, That this House doth agree or disagree with the Lords in the said Lords Amendment, or, as the case may be, in the said Lords Amendment, as amended;

(b) Mr. Speaker shall then designate such of the remaining Lords Amendments as appear to him to involve questions of Privilege, and shall—

(i) put forthwith the Question on any amendment moved by a Minister of the Crown to a Lords amendment and then put forthwith the Question on any Motion made by a Minister of the Crown, That this House doth agree or disagree with the Lords in their Amendment, or, as the case may be, in their Amendment as amended;

(ii) put forthwith the Question on any Motion made by a Minister of the Crown, That this House doth disagree with the Lords in a Lords Amendment;

(iii) put forthwith with respect to each Amendment designated by Mr. Speaker which has not been disposed of, the Question, That this House doth agree with the Lords in their Amendment; and

(iv) put forthwith the Question, That this House doth agree with the Lords in all the remaining Lords Amendments;

(c) as soon as the House has agreed or disagreed with the Lords in any of their Amendments Mr. Speaker shall put forthwith a separate Question on any other Amendment moved by a Minister of the Crown relevant to that Lords Amendment.

(2) Proceedings under sub-paragraph (1) above shall not be interrupted under any Standing Order relating to the sittings of the House.

Stages subsequent to first Consideration of Lords Amendments

3. The proceedings on any further Message from the Lords on the Bill shall be brought to a conclusion one hour after the commencement of the proceedings.

4. For the purpose of bringing those proceedings to a conclusion—

(a) Mr. Speaker shall first put forthwith any Question which has already been proposed from the Chair and not yet decided, and shall then put forthwith the Question on any Motion made by a Minister of the Crown which is related to the Question already proposed from the Chair;

(b) Mr. Speaker shall then designate such of the remaining items in the Lords Message as appear to him to involve questions of Privilege and shall—

(i) put forthwith the Question on any Motion made by a Minister of the Crown on any item;

(ii) in the case of each remaining item designated by Mr. Speaker, put forthwith the Question, That this House doth agree with the Lords in their Proposal; and

(iii) put forthwith the Question, That this House doth agree with the Lords in all the remaining Lords Proposals.

Supplemental

5. — (1) In this paragraph 'the proceedings' means proceedings on any further Message from the Lords on the Bill, on the appointment and quorum of a Committee to draw up Reasons and the Report of such a Committee.

(2) Mr. Speaker shall put forthwith the Question on any Motion made by a Minister of the Crown for the consideration forthwith of the Message or, as the case may be, for the appointment and quorum of the Committee.

(3) A Committee appointed to draw up Reasons shall report before the conclusion of the sitting at which they are appointed.

(4) Paragraph (1) of Standing Order No. 3 (Exempted business) shall apply to the proceedings.

(5) No dilatory Motion with respect to, or in the course of, the proceedings shall be made except by a member of the Government, and the Question on any such Motion shall be put forthwith.

(6) If the proceedings are interrupted by a Motion for the Adjournment of the House under Standing Order No. 10 (Adjournment on specific and important matter that should have urgent consideration) a period equal to the duration of the proceedings on the Motion shall be added to the period at the end of which the proceedings are to be brought to a conclusion.

Orders of the Day

Local Government Bill

Lords Amendments considered.

Clause 4

DEVELOPMENT PLANS

Lords amendment: No. 1, in page 3, line 11, leave out subsection (2).

4.53 pm

The Secretary of State for the Environment (Mr. Patrick Jenkin): I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Speaker: With this we may take the following amendments thereto, *(a)* in page 3, line 12, leave out from 'establishment' to end of line 15 and insert

'in each metropolitan county of an authority to be known by the name of that county with the addition of the word "Authority", and the functions of those authorities in respect of planning matters'.

(b), in line 12, leave out from 'London' to end of line 15 and insert

'Authority, and the functions of the London Authority in respect of planning matters'.

Lords amendment No. 2, after clause 4, insert the following new clause—

Joint planning committee for Greater London

" .—(1) The local planning authorities in Greater London shall not later than the abolition date establish a joint committee to discharge the functions mentioned in subsection (2) below.

(2) The joint committee shall—

(a) consider and advise those authorities on matters of common interest relating to the planning and development of Greater London;

(b) inform the Secretary of State of the views of those authorities concerning such matters including any such matters as to which he has requested their advice;

(c) inform the local planning authorities for areas in the vicinity of Greater London, or any body on which those authorities and the local planning authorities in Greater London are represented, of the views of the local planning authorities in Greater London concerning any matters of common interest relating to the planning and development of Greater London and those areas;

and the committee may, if it thinks fit, contribute towards the expenses of any such body as is mentioned in paragraph *(c)* above.

(3) The expenses of the joint committee which have been incurred with the approval of at least two-thirds of the local planning authorities in Greater London shall be defrayed by those authorities in such proportions as they may decide or, in default of a decision by them, as the Secretary of State may determine.

(4) In this section references to the local planning authorities in Greater London are to the authorities which are the local planning authorities in Greater London for the purposes of Part II of the Town and Country Planning Act 1971 or section 4 above.".

Amendments thereto:

(a), in line 4, at end insert

'and the local planning authorities which the councils of districts (in this section referred to as "district planning authorities") in each metropolitan county shall not later than that date establish a joint committee to discharge those functions.'.

(b), in line 8, at end insert 'or that county'.

(c), in line 12, after *'(c)'* insert

'in the case of Greater London'.

(d), in line 18, at end insert—

'*(d)* in the case of a metropolitan county inform the local planning authorities for areas in the vicinity of the county or any body on which those authorities and the district planning authorities in the county are represented of the views of the district planning authorities in the county concerning any matters of common interest relating to the planning and development of the county and those areas;'.

(e), in line 18, at end insert—

'*(d)* issue guidance to local planning authorities in Greater London for the purposes of paragraph 2(4)*(a)* of Schedule 1 to this Act.'.

(f), in line 19, leave out 'paragraph *(c)* above' and insert 'pagagraph *(c)* or *(d)* above, as the case may be'.

(g), in line 22, after 'Greater London', insert

'or of the district planning authorities in a metropolitan county'.

(h), in line 30, at end insert

'and references to district planning authorities are to the authorities which are local planning authorities for metropolitan districts for the purposes of that Part of that Act or section 4 above.'.

(i), in page 75, line 27, leave out 'Secretary of State', and insert

'joint committee established by section *(Joint Planning Committee for Greater London)* of this Act'.

Lords amendment No. 4, before clause 7, insert the following new clause—

Highway and Road Traffic functions

' . The Secretary of State shall by order taking effect on the abolition date make provision for the London Residuary Body to exercise the following functions relating to highways and road traffic in London to the extent and in the manner that such order shall provide—

(a) that the Body shall have a duty to prepare, in consultation with the borough councils, plans relating to highways and traffic in Greater London and the Body and borough councils shall have regard to such plans when exercising their stationary functions;

(b) that it shall be a duty of the Body to establish and maintain an organisation for the purpose of assembling, disseminating and keeping up to date, information on road traffic and other transport in Greater London and that the Body may commission such research and carry out such surveys as they think fit in fulfilment of this duty;

(c) That the Body shall have the functions of the highway authority under the Highways Act 1980 in relation to metropolitan roads;

(d) that not later than 1st April 1987 the Body shall, in consultation with the borough councils review the existing network of metropolitan roads and prepare and submit to the Secretary of State for his approval proposals for the revision of that network;

(e) that, as respects metropolitan roads, the Road Traffic Regualtion Act 1984 shall apply to the Body (for the purposes of traffic management and parking control) as they now apply to the Greater London Council;

(f) that the Body shall be a local authority for the purposes of section 38 of the Road Traffic Act 1972 (power of local authorities as to giving of road safety information and training);

(g) that the Body shall be authorised, for the purpose of regulating traffic on metropolitan roads, to exercise the powers of a borough council under the said Act of 1984 as respects roads communicating with or adjacent to metropolitan roads in accordance with procedures to be prescribed by the Secretary of State;

(h) that, for the purposes of ensuring that the exercise by the London borough council of their powers under the Road Traffic Regulation Act 1984 does not have any adverse effect on traffic on roads for which they are not the highway authority, the Body shall be given reserve powers similar to those given to the Secretary of State in Part 1 of Schedule 9 of the said Act;

(i) that the Body may exercise the powers of a London borough council or the Common Council under sections 6 and 9 of the Road Traffic Regulation Act 1984 for the purposes of prohibiting or restricting such use of heavy

commercial vehicles as the Body considers expedient for preserving or improving the amenities of Greater London or some part or parts thereof;

(j) that the Body shall have a duty to control, manage, maintain and, where appropriate, develop and extend the system of urban traffic control through traffic light signals established by the Greater London Council;

(k) that the Body shall be a "London Authority" within the meaning of section 50 of the London Regional Transport Act 1984 (travel concessions on journeys in or around Greater London);

(l) that the Body shall be able to assist, by way of grant or loan, the provision of transport services by a voluntary organisation for the benefit of the public or any class of persons."

Amendment thereto, (a) in line 2, leave out 'Residuary Body' and insert 'Authority'.

Lords amendment No. 5, before clause 7,

Insert the following new clause—

Strategic Highways Functions in Metropolitan Counties.

" . The Secretary of State shall by order taking effect on the abolition date make provision for the authority established by section 27 of this Act for each metropolitan county to exercise the following functions relating to highways and road traffic in that county to the extent and in the manner that such order shall provide—

(a) then in functions of the highway authority under the Highways Act 1980 in relation to principal roads within the county;

(b) the functions of a county council and a highway authority for the purpose of the Road Traffic Regulation Act 1984 in relation to principal roads within the county;

(c) issuing guidance as to the manner in which in relation to non principal roads the councils of metropolitan districts should exercise their powers under the 1984 Act, for the purpose of ensuring that the exercise by such councils of those traffic powers in relation to non principal roads does not have an adverse effect on traffic or any class of traffic using principal roads within the county or any traffic or class of traffic in any area other than the area of the district council, as the case may be;

(d) the functions relating to the construction and maintenance of bridges within the county which on that date are the responsibility of the highway authority;

(e) the functions contained in the Road Traffic Acts 1972 and 1974 in so far as the same relate to road safety within the county; and

(f) the collection, examination, analysis and dissemination of data required for the discharge of those functions."

Amendment thereto, *(a)*, in line 3, leave out 'the authority established by section 27 of this Act for each metropolitan county'

and insert

'each metropolitan county authority established by Part II of Schedule I to this Act'.

Amendment No. 9*(a)* in clause 8, page 4, line 31, leave out 'London borough councils and the Common Council'

and insert 'the London Authority'.

Amendment No. 9*(b)*, in line 33, leave out 'Metropolitan district Councils' and insert 'Metropolitan county authorities established by Part II of Schedule I to this Act'.

Lords amendment No. 48, in clause 55 page 38, line 38, at end insert—

"(4) As soon as may be after the establishment of a joint committee under section 93 below for Greater London or a metropolitan county the Secretary of State shall, after consultation with that committee, appoint one of its members to be a member of the appropriate residuary body."

Amendments thereto, *(c)*, in line 38, at end insert—

'(4) The members of the London Residuary Body appointed under subsection (3) shall be such members of the London Authority as are nominated by that Authority to the Secretary of State for that purpose.'.

(d) in line 38, at end insert—

'(4) The members of each residuary body appointed under subsection (3) above shall be such members of the Metropolitan County Authority established by Part II of Schedule I to this Act in the area of the appropriate residuary body as are nominated by that authority to the Secretary of State for that purpose.'.

Lords amendment No. 55, after clause 85—

Insert the following new clause—

Research and collection of information

" .—(1) A scheme may be made for Greater London or a metropolitan county by the constituent councils whereby one of those councils designated by the scheme has the function of—

(a) carrying out, or assisting in carrying out, investigations into, and the collection of informtion relating to, any matters concerning that area or any part of it; and

(b) making, or assisting in making, arrangements whereby any such information and the results of any such investigation are made available to any other local authority in that area, any government department or the public.

(2) Any such scheme shall require the other constituent councils to contribute as provided by subsection (3) below to the expenditure incurred by the designated council in carrying out its functions under the scheme.

(3) The constituent councils shall be required to contribute to any expenditure of the designated council which has been incurred with the approval of at least two-thirds of the constituent councils; and the amounts of the contributions shall be determined so that the expenditure in respect of which they are payable is borne by the constituent councils in proportion to the populations of their respective areas.

(4) For the purposes of subsection (3) above the population of any area shall be taken to be the number estimated by the Registrar General and certified by him to the Secretary of State by reference to such date as the Secretary of State may from time to time determine.

(5) A scheme may provide that, if two-thirds of the constituent councils so decide, the designated council may require all or any of the constituent councils other than the designated council to carry out in respect of their respective areas an investigation into, or the collection of information relating to, any specified matter concerning the area covered by the scheme or any part of it; and where such a requirement is imposed on a council—

(a) that council shall comply with the requirement in such manner and within such time as may be specified in the requirement; and

(b) if that council fails to comply with the requirement the designated council may itself do what was required and recover the cost of doing it from that council.

(6) The expenditure which is to be borne as mentioned in subsection (3) above shall not include—

(a) any expenditure of the designated council which is recoverable by virtue of paragraph *(b)* of subsection (5) above; or

(b) if a requirement is imposed by virtue of that subsection on all the constituent councils other than the designated council, any expenditure incurred by that council in doing in respect of its own area what it has required the other councils to do in respect of their areas.

(7) Any information collected by the designated council, and the results of any investigation carried out by it, in the exercise of its functions under the scheme shall be made available, on request, to each of the other constituent councils.

(8) A scheme shall not come into force before the abolition date but shall continue in force until the end of at least two financial years after that in which it is made.

(9) A scheme may, in the absence of agreement between all the constituent councils, be made by a majority of those councils so as to be binding on all of them; but a council shall not be designated by a scheme except with its consent.

(10) A scheme may contain such supplementary provisions as the councils making the scheme think necessary or expedient and, subject to subsection (8) above, may be revoked by those councils (or, in the absence of agreement between all of them, by a majority of those councils) with effect from the end of any financial year after that in which the decision to revoke the scheme is made.

(11) The council designated by a scheme may be giving not less than twelve months notice to the other constituent councils withdraw its consent to act as the designated council with effect from the end of any financial year not earlier than the second

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financial year after that in which the scheme was made; and in that event the scheme shall terminate when the withdrawal takes effect.

(12) For the purposes of this section the constituent councils are—

(a) in relation to Greater London, the London borough councils and the Common Council; and

(b) in relation to a metropolitan county, the councils of the metropolitan districts comprised in the county.

(13) Whether or not a scheme is made under this section a London borough council, the Common Council and a metropolitan district council shall have the power to exercise any of the functions described in subsection (1)*(a)* and *(b)* above.

(14) The appropriate Minister with respect to any matter may require any such council as is mentioned in subsection (13) above to provide him with any information with respect to that matter which is in the possession of, or available to, that council in consequence of the exercise of any powers conferred by or under any enactment."

Amendments thereto:

(a) in line 1, leave out from beginning to end of line 4 and insert

'It shall be the function of each Metropolitan authority established by Part II of Schedule 1 to this Act to make arrangements for—'.

(b) in line 11, at end insert

'in the area of the Metropolitan authority'.

(c) in line 1, leave out from beginning to end of line 3 and insert

'It shall be the function of the London Authority to make arrangements for—'.

(d) in line 11, leave out subsections (2) to (14).

Lords amendment No. 61, in schedule 1, page 86, line 38, leave out paragraph 18.

Amendments thereto:

(a) in page 86, line 38, leave out 'may' and insert 'shall'.

(b) in line 38, leave out

'at any time after the passing of the Act'

and insert 'on the abolition date'.

(c) in line 39, after 'body', insert 'in each metropolitan county'.

(d) in line 39, leave out from 'known' to 'guidance' in line 40 and insert

'by the name of that metropolitan county with the addition of the word "Authority" to prepare.'.

(e) in line 40, leave out

'Planning Commission to assist him in preparing'

and insert 'Authority to prepare'.

(f) in line 41, leave out 'Greater London' and insert 'the relevant metropolitan county'.

(g) in line 42, leave out 'him' and insert 'the Secretary of State'.

(h) in line 43, leave out

'for the appointment and terms of office of members of the commission'

and insert

'for the members of each metropolitan county authority to be elected by the local government electors of the relevant metropolitan county in accordance with this Act and the Representation of the People Act 1983'.

(i) in line 45, leave out 'may' and insert 'shall'.

(j) in line 46, leave out

'for the appointment and terms of office of members of the Commission'

and insert

'for the members of the London Authority to be elected by the local government electors of Greater London in accordance with this Act and the Representation of the People Act 1983;'.

(k) in page 87, line 1, leave out 'the commission' and insert 'each authority'.

(l) in line 1, leave out 'Commission' and insert 'Authority'.

(m) in line 4, leave out 'the commission' and insert 'each authority'.

(n) in line 4, leave out 'Commission' and insert 'Authority'.

(o) in page 87, leave out lines 5 and 6.

Mr. Robert N. Wareing (Liverpool, West Derby): On a point of order, Mr. Speaker. With all due respect to you, Mr. Speaker, and acknowledging that London is a marvellous place, of the eight speakers called during the debate on the guillotine motion, including a Minister and a Front Bench Opposition spokesman, five were London Members and not one Member was called from a constituency which is part of a metropolitan county. With respect, Mr. Speaker, I ask you to acknowledge that millions live in the metropolitan counties that are affected by the Bill.

Mr. Speaker: I am well aware of that. Unfortunately, there was only an hour's debate on the guillotine motion.

Mr. John Fraser (Norwood): I shall describe briefly the four broad effects of the Opposition amendments to the main Lords amendments. First, they build on the concession which was forced on the Government in another place on Third Reading that there should be a joint planning committee for London. In the Opposition view, the concession did not go far enough. We believe that there should be a strategic body to advise on the planning of London.

The Government amendment, which was considered in another place, was and is hopelessly inadequate in its powers and authority. It lacks any kind of democratic accountability. The first purpose of the amendments is thus to build on the small concession that was made by the Government and to make the joint planning committee for London, and the committees that we hope to establish in the metropolitan counties, more effective.

The second purpose of our amendments is to establish an overall joint planning committee for all the metropolitan counties. We do not accept that there should merely be a planning committee or authority for Greater London. The shire counties represent smaller populations than are represented in the metropolitan counties and there is no reason why they should have an overall planning authority while the conurbations, which now form part of the metropolitan counties, have no such authority. We wish to establish a joint planning authority for each of the metropolitan counties to take further the Government's inadequate concession in accepting that there should be a planning authority for London. It is almost inconceivable to reject the advice of every responsible planning commentator that the great megalopolis should be treated as if it did not exist for planning purposes.

The third purpose of the amendments is to invest each county-wide planning authority—we want to see one for every metropolitan county — with a power to give strategic guidance that must be taken into account when plans are drawn up for the counties. We want these planning authorities to be able to go much further than merely giving guidance or advice. It is no use having a joint planning committee, whether for London or for all the metropolitan counties, if it is a toothless talking shop. The Government's concession in another place would merely set up such a body.

Fourthly, and perhaps most importantly, the purpose of the amendments is to create an elected authority for the Greater London council and for every metropolitan county to deal with the functions that we intend will remain on a county-wide basis. We want a democratically elected authority to continue as an interim measure to deal with planning, which is the main subject of the first two Lords amendments, highways, which remain a county function as a result of concessions elsewhere, traffic, waste disposal and research. We want also democratic accountability for the residuary body, which is assuming so many powers and functions to London. In other words, we want to put some democracy back into local government and the tangled web of functions that will remain after the Bill passes into law.

In short, we are looking for more consistency in planning and more authority for joint planning committees for the counties. We want to allow the people to choose, by the democratic process, how their county functions are discharged. Ostensibly the Bill was about transferring power to the boroughs and districts but in reality that was not its purpose. It was designed to destroy seven powerful elected councils that had the inconvenience for the Government of being controlled predominantly by the Labour party. The real background to the Bill involves malice and the abuse of power, and the destruction of local government because it lay largely in the hands of the Labour party.

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Perhaps one should describe the Government's proposition as simple minded. On the face of it, the cities could be streamlined, but the Government's proposition means that Greater London will not really be Greater London at all. One can ignore it and treat it as 32 separate boroughs. One can ignore the conurbation implications of Merseyside, Manchester, the midlands, and so forth. On face value, that idea of streamlining is daft. I have authority for saying that the proposition is not workable. I quote:

> "It will be generally agreed that Greater London, an area of some 610 square miles containing seven million people, must continue to be more than an agglomeration of 32 boroughs with different degrees of urban disease".

Those are not my words, but the words of the Minister for Local Government when he wrote about being a Londoner in 1977.

The idea of streamlining the cities has turned out not merely to be daft—most commentators agreed at the beginning that it was daft—but to be impossible. The Bill is a great legislative lie. It does not deprive the counties of all the countrywide functions, it does not streamline the cities, it does not transfer many functions to the boroughs or the districts, and it does not give the districts and the boroughs the powers that the Government originally intended to transfer. The Bill defrauds people of their vote.

One can sum up the Bill as it comes towards the end of its passage by saying that it does not streamline, it makes more complicated; it does not save money, it spends more; and it does not transfer powers and functions substantially to the boroughs or the districts. Above all, the Bill destroys an element of local democracy, and by doing so it adds chaos to the functions that remain countywide. It bears as much resemblance to streamlining as a Heath Robinson conveyance bears to Concorde. Carrying that analogy further, the only thing that it borrows from Concorde is the cost. The original conception of abolition has not come about.

The result of the Bill is the creation of 62 quangos consisting of joint boards, joint committees, a London planning committee, authorities for waste disposal, traffic and so on. The 62 quangos are part of the Government's plan to streamline the cities. It invests five Government Departments with quasi local government functions. It quite properly preserves the Inner London Education Authority as an elected body for all time and it gives to 127 boroughs, districts and shire councils functions relating to the government of part of the metropolitan counties.

In London, the lie behind the Bill is illustrated because 60 per cent. of the GLC's expenditure will continue to exist as a countywide function. During the passage of the Bill in another place, 25 new county functions were devised for the counties as a whole instead of being transferred to the boroughs and districts. Incredibly, out of 80,000 staff working for the GLC, 71,000 will continue to work in services that will run countywide after the passage of the Bill. That underlines the lie.

After the passage of the Bill a large number of people will be working for London and money will be spent on London and the other metropolitan counties, but the main difference between the government of London now and after the passage of the Bill is that there will be no democratic accountability. What will emerge is a sham that is even more costly than the original—a municipal Byzantium, which, as was the case with Byzantium, has no democracy.

Mr. Patrick Jenkin: The hon. Gentleman quoted figures of employees of the GLC and went on to say that there will be no democratic representation. Will he confirm that the figures included the entire work force and staff of ILEA? Under the Bill, the members of ILEA will be democratically elected. Therefore, the hon Gentleman is talking nonsense.

Mr. Fraser: I concede that the right hon. Gentleman is correct in saying that those who work for the ILEA will be controlled by a directly elected body. Why does the same principle not apply to every other county function that is being preserved as a result of the amendments made largely in another place under pressure from the Opposition? What is good for the ILEA and for countrywide local government at the moment should obtain in the future. Government supporters have the chance to vote for Opposition amendments, which would enable that democratic structure to be preserved. Otherwise, we shall simply have a distortion of local democracy. The main burden of our amendments is to give a democratic accountability to those functions which will continue not on a district or a borough basis, but on a countywide basis.

The second main purpose of the amendments is to recognise the reality of planning our conurbations, and to give each metropolitan county a joint planning commission, which would be elected. One cannot plan a road system from one borough to another. One has to deal with land use on a conurbation basis. A magnificent change has taken place in the nature of south London as a result of the GLC financing over many years on a countywide basis, for example, with the creation of

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Burgess park. Much of south London was too densely populated and people were living with no green around them at all.

It is impossible to have such a planning function simply on a borough basis. On such a basis, it is impossible to plan the skyline around our cities, planning that is very important both in London and parts of Yorkshire, where, without adequate planning, it is possible to destroy the skyline.

The argument for planning our conurbations on a conurbationwide basis is made out in the Government's proposals on inner cities. The Government do not treat inner city policy as a subject merely for one borough or another. They recently set up, with a flourish from the Prime Minister, an organisation called City Action Teams, or CATs for short. As the Association of Metropolitan Authorities observed, what the country needs is not cats, but mice—more inner city expenditure.

At any rate, when looking at the problems of the inner city, the Government did not choose to do so from borough to borough or district to district. They took a strategic overall view, and said that Government Departments and local authorities must come together to take a strategic view of the inner city. The inner city should be planned in that way. As my hon. Friend the Member for Blackburn (Mr. Straw) said, we shall repeal the Bill at the earliest opportunity. The further the Bill gets in its passage, the nearer the opportunity will come for a Labour Government to undertake that task.

In the meantime, the amendments amount to no more than interim measures. They at least restore to planning some democratic accountability and sense. For that reason alone, I ask hon. Members on both sides of the House to support our amendments.

Mr. Hugh Dykes (Harrow, East): I wish to speak to amendment (b)

"to the words so restored to the Bill":—

Page 3, line 12, leave out from 'London' to end of line 15 and insert

'Authority, and the functions of the London Authority in respect of planning matters'.

The Government made some concessions in the other place to various aspects of the Bill, but from the point of view of those in all parties who have opposed the Bill all the way through, and regarded it as a sad piece of legislation, to say the least, that has not been sufficient to repair the damage that is contained in many parts of the Bill. In the other place the Government lost some crucial amendments on significant occasions, but it was not enough to persuade them to depart from the central and still extremely unwelcome aspects of the Bill's structure.

Amendment (b) deals only with aspects to do with London, but later amendments incorporate the metropolitan counties. At this late stage it is worth remembering that my hon. Friends and colleagues in all parts of the House still have an opportunity to do some useful repair work to the Bill's structure. The confusion and chaos in the original text has to some extent been made worse by the Government's concessions in an attempt to achieve a more rational structure. Despite their Lordships' interesting and heroic efforts—I pay particular tribute to Lord Plummer for his amendments — the position is more difficult than previously.

With this amendment my colleagues and I suggest a significant adjustment to help the Government produce a much better structure. We do not seek to push them too far, or oblige them to depart from their original manifesto commitment, which is adhered to in the Bill. In some respects our arguments, fortuitously and felicitously, coincide with those of the Opposition Front Bench, but they are significantly and interestingly different. The substantial effect of the amendment is to put London's strategic planning, highways and traffic control, waste disposal and the important but often forgotten citywide research services into one directly elected London authority.

Thus, we return to the theme of the body being directly elected. The body is not to be compared in any way with the existing Greater London council. It has no relationship to it and is wholly different. It would be a small body, which would meet the Government's objectives of saving costs, and would have the opposite effect to the present one. The Coopers and Lybrand report shows beyond all doubt that the whole exercise will cost a one-off £170 million. That may be the top end of its range of estimates of the extra cost.

The amendment would transform the residuary body — which was supposed to be a marginal tidying-up body, but which has acquired more and more functions, which the Government's planners could not put elsewhere, as the text became more problematic — into a London authority. The amendment would also provide, together with related later amendments, that the London authority should nominate members of the London residuary body, instead of the Secretary of State.

In the other place successful amendments transferred parts of highways and traffic to the London residuary body. As has already been said, the boroughs end up with only a small minority of the total activities and expenditure in gross terms, contrary to the original intentions of both the manifesto and the Secretary of State. Although my hon. Friends and I believe that the decentralisation proposed for the boroughs in the change for the residuary body is right, it is not appropriate to move the remaining overall Londonwide highways and traffic functions to a temporary nominated quango, such as the London residuary body or a joint board.

The amendment is valuable in that it deals with direct elections, and immediately and specifically makes possible the co-ordination of those four important citywide services—planning, highways and traffic control, waste disposal and the research unit — into one London authority. Obviously, we want the authority to be directly elected because its powers and expenditure will be substantial, and it should be accountable to the ratepayers who will have to pay for its functions. We in this House and the other place will anyway have to return to the question of direct elections in separate legislation in due course.

As the Secretary of State has often reminded us, the Conservative party election manifesto promised to abolish the GLC on the grounds that it was a wasteful body and an unnecessary tier of government. Those arguments have been rendered otiose by the passage of the Bill and the detailed examination of all the arguments for and against it. We shall be left with a yawning gap and major lacuna in London local government, unless this admittedly late-in-the-day adjustment is made.

At the end of the Bill's passage — the Government will no doubt have a chance to refer to this later—there is little talk in official circles about saving large sums through abolition. All the evidence suggests that Londoners will face heavy one-off bills, and annually recurring bills for these regrettable changes. I do not exaggerate when I say that this is a tragic piece of legislation in every respect.

5.15 pm

The Londonwide tier of government will remain in a structural sense because the GLC's services have been distributed among various quangos, joint boards and joint committees, most of which will be under close ministerial supervision. Instead of the long-standing and solemn tradition of democratic co-ordinated government for London under whatever political control — elections come and go, to give all parties a chance—we have a muddle and a plethora of different bodies, which confuse everyone, including the Department, and none of which is directly elected. The boroughs will get about one third of the GLC's services in terms of gross revenue expenditure, excluding debt charges, according to the latest calculations, as opposed to most of the expenditure and functions, which was promised as the central rationale of the legislation when it began its unhappy passage.

One of the worst features of the new scheme for London government is that the entire operation seems to be confused, botched-up and temporary. In a few years' time Parliament will have to return to the subject, and do a major repair job. All parliamentarians must find it tragic to think of all the hours that have been wasted on the legislation. I, therefore, ask the House, especially the Secretary of State, even at this late stage to rise to the occasion, to retrieve something secure from this confusion and chaos, to put the essential services together in one authority rather than into the proposed body, and to make it directly elected and wholly separate and different from the existing GLC, with none of the Left-wing hang ups that have rightly irritated Conservative Members. In that way, we would once again have sensible local government in London.

Mr. Peter Hardy (Wentworth): I hope that the hon. Member for Harrow, East (Mr. Dykes) will forgive me if I do not follow his comments in detail. He spoke largely about London, whereas my interest lies in south Yorkshire. So far London and the Greater London council have attracted most attention in this debate. The hon. Gentleman suggested that their Lordships have made some minor improvements, and that may be the case. Some noble Lords who may normally be solid supporters of the Conservative party put the country's interest before those of their party in a way which I should like hon. Members in this House to do. The hon. Gentleman may be rather relaxed about the matter because he foresees further legislation in a few years' time. Our worry is that hon. Members from south Yorkshire do not have the time or the opportunity for a leisurely view. The economy of south Yorkshire is appalling and is deteriorating day by day. We are losing more than 200 jobs a week. This is not the time for the Government to plunge the area into the costly chaos that is bound to develop.

Conservative Members know that south Yorkshire metropolitan county has a vigorous, thriving and growing public transport system based on low fares. What has escaped their attention is the fact that ridership has increased. The Government dislike the system and, for no other reason, they have adopted an attitude of hatred towards the county council, and cheer its departure because they want to privatise bus services, which in our area are first class.

I am especially interested in participating in the debate because of the other aspects of the South Yorkshire county council that deserve consideration. It has a high reputation for its environmental work. It commands respect for its intelligent approach towards strategic planning responsibilities, which are now to be changed at a time when the economic condition is critical.

The Minister does not have responsibility for steel and coal, but if he had he would turn grey at what is happening to our special steels industry. The week before last, we heard of the decision to close the British Steel Corporation's relatively new works at Tinsley Park, which he may have visited when he was at the Department of Trade and Industry. Last week, the River Don works, Britain's only large heavy forging and casting capacity, lost 500 or 600 jobs. In the coal industry, 4,000 or 5,000 jobs have been lost within a matter of months. This has happened while the Government are destroying our strategic planning capacity. Within the planning operation and generally, the county council has developed a splendid, internationally commended reputation in environmental protection. That is well known. If the Secretary of State cares to check, he will see that I am making no false or extravagant claims. The county council has done enormous work in recognising and conserving the ecology of our county. It has achieved much in the reclamation of derelict land. The Minister may be aware, despite the contraction of our coal industry, that there is a continuing problem of colliery spoil. There is a continuing and growing need to maintain the current work of the county council in land reclamation. I fear that the measure and the Government's attitude to the modest amendments carried in the other place will be of enormous disadvantage to the county.

I hope that the Secretary of State will not feel that I am being unfair, but the other day I heard him telling a substantial and important gathering how deeply committed the Conservative party was to conservation. He claimed that it is the party concerned with conservation in Britain. I am well aware of what the Conservative party is disposed to conserve.

Mr. Jeremy Corbyn (Islington, North): Themselves.

Mr. Hardy: The Secretary of State made substantial claims on Saturday. However, I am patron of the Yorkshire Wildlife Trust. There may be other hon. Members from my region who subscribe to the organisation. It is a long-established and reputable body.

Dr. Keith Hampson (Leeds, North-West) *indicated assent.*

Mr. Hardy: I am glad to have the confirmation of the hon. Member for Leeds, North-West (Dr. Hampson). The West Yorkshire and South Yorkshire metropolitan county councils are the two most important financial supporters of the trust. If they disappear, the income they provide for the trust, which performs an important function in the county, will be imperilled. It is all right for the Minister to say that the quangos or the borough councils that will inherit the responsibility will be able to offer the same

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support, but hon. Members from Yorkshire, and perhaps other hon. Members, will be aware that, under the rate-capping arrangements and contracting central support for local government to which the Government continue to be committed, there is no possibility of maintaining the support currently given by the county councils. If the Minister pretends otherwise, he is doing his Department and the House a disservice. It worries me that at a time when we need to enhance our environment, to invest in the economy and the environmental infrastructure, to give our crushed and critical economy some chance, to give our young people some hope and to provide some decency for the leisure of those who have gone in huge numbers into the dole queues, one major area of leisure is put under a severe and unacceptable threat. I hope that even at this late stage the Minister will recognise that, whatever concessions he may be prepared to make for London, he is making far too few concessions for the metropolitan counties in the north. In my county, the economic position is grave. The environment will be seriously disadvantaged entirely as a result of this petty, politically motivated and grossly unattractive measure.

Dr. Hampson: I am glad to have the opportunity to follow my colleague from Yorkshire, the hon. Member for Wentworth (Mr. Hardy). It is undoubtedly true that there is anxiety about several of the changes that will result from the Bill, largely from the cash point of view. However, I do not understand why the matters that the hon. Gentleman raised, especially those relating to the environment, cannot be dealt with under a different structure, provided that sufficient resources are available. Today, we are dealing with the structures through which such services are carried out.

Since the Government came to power in 1979, they have talked about the abolition or reform of the metropolitan county structure. The matter was discussed in the Department of the Environment early in the life of this Government. No report on local government recommended the present metropolitan county structure. It was a compromise. Some of us thought from the beginning that it was a botched compromise, because those authorities were large, had large bureaucracies and incurred vast expenditure on salaries, but had relatively restricted functions. There was no case for continuing them. It was not only Conservative Members or members of the Government in 1979 who believed that; most Labour city leaders believed that. Mr. Ken Livingstone in London and the leaders in Leeds, Birmingham and Merseyside believed that, because there was no balance of responsibilities at the county level as there was at the shire level. They were not responsible for education, but they were responsible for substantial transport systems, the police and the fire services.

I do not accept that this legislation is tragic. It is bringing us back to the position in which we should have been from the start. Those authorities should never have existed, and are unnecessary. The Liberal party and the SDP today agreed that they are unnecessary. However, what they want in their place is equally horrendous, because I believe that the British people want powers pushed back down to a lower level, not the accumulation powers at a regional level.

Mr. Tony Banks (Newham, North-West): The hon. Gentleman must realise that the position is different in London. London has had directly elected, citywide government since the London county council was set up in 1889. Therefore, it is nothing new. If the metropolitan county councils are abolished, there will still be city government in Sheffield, Liverpool and Manchester, but there will be none in London. That is the difference.

5.30 pm

Dr. Hampson: The point is that history moves on and structures do not remain absolute in value. In London the scale of responsibilities of the citywide authority has steadily diminished under all parties. Only about 10 per cent. of the resources spent on the individual citizen in London is channelled through the GLC. What is the value of the body? My hon. Friend the Member for Harrow, East (Mr. Dykes) always emphasises the need for "a voice" for London. I have never understood whom that voice is for, or to whom it is addressed. I can understand the ceremonial function and that people from around the world might want to be received, but the City of London could do that as well as the hon. Member for Newham, North-West (Mr. Banks).

Mr. Simon Hughes (Southwark and Bermondsey): Can the hon. Member explain the intention of the person who gave money to the Horniman museum, over the door of which is the inscription, to which the Bishop of Southwark referred,

"Given to the London County Council as Representative of the people of London in perpetuity"?

What authority other than the GLC or a county council can take responsibility for all citizens and look after all their interests?

Dr. Hampson: City government thoughout the world varies enormously. Municipal authorities elsewhere manage because such gifts are given to parts of cities or to institutions. There is nothing sacrosanct about a particular representative body for a city such as London. London happens to have evolved in a way which is different from other cities. Paris has evolved in yet another way. It has an elected mayor who has almost absolute power, whereas other elected representatives have little or no say. Power there is centralised. Nothing decrees that a particular body should speak for London and have particular powers.

If we had not transferred housing and other major responsibilities down the line the argument would be different. I should have thought that the hon. Member for Southwark and Bermondsey (Mr. Hughes), since he represents the Liberal party, would argue in favour of passing responsibilities down the line. He seemed to say that powers should be passed up to a regional body, which is even more divorced from the citizen. Most of my constituents do not know who their county councillors are or what functions they have, so how on earth would they know who to turn to at regional level?

Mr. Richard Tracey (Surbiton): Only inner London had a county council structure and it was called the London county council. The county of Surrey and the county of Middlesex represented many outer London boroughs. Previously most of the metropolitan areas were county boroughs, which were smaller, unitary authorities and therefore more understandable to the public.

Mr. Hampson: The people of Leeds wanted to remain within a county borough. No one recommended the metropolitan county of West Yorkshire, although I am sad to say that a Conservative Government created it. It makes no sense. It is not a metropolitan conglomeration but a huge city with a number of other small towns.

Mr. Harry Cowans (Tyne Bridge): The hon. Gentleman's argument would make sense if the Government intended to pass back to the old county boroughs or districts the functions they lost, but they are not doing that. They are setting up unelected, undemocratic quangos with no responsibility or accountability to the people of Leeds or anywhere else.

Dr. Hampson: I am glad the hon. Gentleman has allowed me to return to my course. I want to deal with precisely those matters. People talk about the residuary body.—[Hon Members: "What is it?"] It is as described by definition. It is not intended to exist in perpetuity. Most of us believe that it is important to put the reorganisation on the road, to find out the rough edges and to resolve the problems.

Some of the amendments are farcical. The residuary body is intended to find out how to deal with the functions and to farm them out to the appropriate quarter. Such a body should not be elected. We do not want the residuary body to be perpetuated by making it an elected body.

The House of Lords has the notion that elections should take place for people who are to deal with tiny functions. My hon. Friend the Member for Harrow, East, for whom I have a great respect on a European level, wants a directly elected body to deal with waste—an important function —research agencies, libraries and museums. That is in the realms of farce. We do not have a tradition of direct elections to deal with specific functions.

In other countries such activities are handled on a broader basis on behalf of others by a single elected authority. Even in Britain we have a strong tradition of one authority acting on behalf of another. In education, for example, children can cross a boundary and be educated at a neighbouring school and one authority pays the recipient authority. We have a long tradition of agency agreements. Research facilities, safety inspectorates, quality controls and consumer standards can be operated by one authority on behalf of another through an agency agreement. That is a long-standing practice. An elected body is not necessary to perform that function.

Mr. Dykes: Why make ILEA a directly elected body?

Dr. Hampson: I opposed that idea. I do not wish to be side tracked into that argument. At least I was, and am, consistent.

If we trust the authorities and place responsibilities firmly on them, rather than allowing them to hedge and pass the buck up the line to a nebulous body such as the county council, they will get together and reach agreement.

We tend to view government in the United States in terms of the Senate and Congress, but I have lectured on their history and politics and experienced local government there. Town planning is the responsibility of the town. Small communities and county-level government devise their own plans for their communities. Areas such as Texas deliberately might do little in the way of planning. Where they do, in the east coast states, for example, boundaries adjoin and yet agreements are reached. When I was there last week I found local officials meeting over breakfast. Perhaps that is a good thing because there is less disagreement likely at that time.

The current proposition is not as absurd as some people think. We have accepted many tiers and people spend years making structural plans, decisions often overturned on appeal to the Secretary of State. In many ways the arbiters of planning proposals are the Secretary of State's regional officials. We do not need all the present tiers because people can get together at a planning level to resolve difficulties amicably.

These proposals are long overdue. The present county and London levels are unnecessary and the more quickly that we get rid of them the happier I and my constituents shall be.

Mr. John Cartwright (Woolwich): The most revealing point made by the hon. Member for Leeds, North-West (Dr. Hampson) came at the end of his contribution when he claimed that the Government's proposals are not so absurd as many people think—an admission that the Government's argument is not getting across so well as Ministers claim.

Hon. Members on both sides believe that this group of amendments provides the last chance of maintaining a minimal elected authority in each of the metropolitan areas and in Greater London. Unlike the hon. Member for Leeds, North-West, I believe that the powers proposed in these amendments are coherent and should be operated on a conurbationwide basis covering strategic planning, highways and traffic, waste disposal, central and support services and research and information. Those are all essential, practical services, not the high-visibility political issues which cause anxiety to so many people. The hon. Member for Leeds, North-West claimed that this was a minimal series of responsibilities for which to have people elected, but I believe that it entails a great deal more responsibility to exercise those powers across a metropolitan area or the Greater London area than is exercised by many elected district authorities.

Dr. Hampson: Is it not sensible that decisions on the important functions which affect neighbouring authorities should be taken by representatives from the directly elected district councils who have the interests of their communities at heart? The people on those joint bodies could then resolve the difficulties.

Mr. Cartwright: Some of us have experience of trying to get this sort of agreement at local level when the interest of one borough or district is different from that of its neighbours. It is not easy to achieve. This is one area in which some hon. Members are sceptical about the Government's belief that co-operation and co-ordination will magically break out at district or borough level and that it will be all right on the night. This has not happened in practice because, for perfectly understandable and defensible reasons, local authorities fight their corner and for their people. They do not see the overall needs of the wider area, nor should they when they are elected to do a rather different job.

The Government accept that many of these conurbationwide powers cannot be exercised by individual authorities because the Government have created an extraordinary patchwork quilt of joint boards, quangos and other authorities. Much of the expert evidence heard

[Mr. Cartwright]

during the Committee stage gives the lie to the belief that there will be co-ordination and co-operation at borough and district level.

Their Lordships went some way to recognise that key services are best carried out at metropolitan level. I welcome the idea of a joint planning committee for Greater London which will give elected borough councillors a chance to discuss planning issues, to represent their views to the Secretary of State and to send representatives to the south-east planning body. Having provided that committee for London, why will the Government not provide the same machinery for the other metropolitan areas, where the problems are the same and sometimes even worse—run-down inner city areas, declining industries, difficulty in attracting new developments and new jobs and problems with public and private transport? It is wildly illogical to provide that machinery for London and to deny it to the other metropolitan authorities.

I endorse what the hon. Member for Norwood (Mr. Fraser) said about the need to view inner city problems on a conurbationwide basis. Our experience of metropolitan government has made it clear that it is impossible to solve inner city problems on the basis of inner city areas alone. One must take a wider view. For example, the Thamesmead new town development in my constituency is a highly imaginative scheme originally launched by the Greater London council. No one could possibly suggest that such a gigantic project could have been undertaken by one or two borough or district authorities.

5.45 pm

The philosophy of this legislation is in sharp contrast with commitments given by the Conservatives before they came to power in 1979. When the Labour Government were considering the question of organic change—the idea of giving powers back to some of the biggest of the former county boroughs—the present Secretary of State for Defence was reported in the Local Government Chronicle of 9 March 1979 to have told the Conservative party local government conference in March 1979 in his traditionally strong and robust manner that the Conservative party rejected the idea of a reform of local government structure. He said:

"I do not believe for one moment that the British people are looking for a major upheaval in local government."

He went on to say:

"Change for change's sake or expensive experiments with the ratepayers' money must be ruled out and that must be the position of the Conservative party."

The right hon. Gentleman announced that he had had discussions with the leaders of the Association of County Councils, the Association of District Councils and the Association of Metropolitan Authorities. He went on to make a clear declaration:

"We are agreed that we do not seek another major reorganisation of local government because we are certain that change in this field is likely to be expensive and divisive."

It has certainly been divisive, and from the Coopers and Lybrand studies it is clear that it will also be expensive. The GLC figure for the transitional costs is between £122 million and £167 million. Even on the most optimistic Coopers and Lybrand assessment it would take almost 12 years of annual savings to recoup that kind of expenditure.

The present Prime Minister, speaking at the same conference, promised a close relationship between a Conservative Government and Conservative local authorities. She declared:

"We've worked with you in Opposition. I want to say very strongly that we shall go on working with you in Government."

Clearly, she felt that there was some scepticism on that point because she went on to say:

"In case that comes as a shock to those of you with long memories—I repeat—we shall go on working with you in Government. Good Government rests on a partnership between Whitehall and town hall."

She concluded:

"We are going to give back to you more of the responsibility for running your own affairs."

That will raise a very hollow laugh from many Conservative councillors up and down the country who are suffering even tighter control from the Department of the Environment. It would certainly get a short, sharp and rude response from those Conservative councillors whose councils will be abolished by the Bill. Conservative Members who believe in the traditional Conservative view of local government should support the amendments.

Mr. Patrick Jenkin: This short debate has allowed the House to rehearse various arguments which have been extensively debated on previous occasions in this House and in another place. In those circumstances, it would not be right for me to go on too long. I shall therefore set out briefly the Government view on the points made by the hon. Member for Norwood (Mr. Fraser) and others.

There seem to be three substantive issues. The first concerns planning in London. I was grateful for the welcome given by the hon. Member for Woolwich (Mr. Cartwright) to the amendment accepted in another place. Lords amendments Nos. 1 and 2 and the consequential Lords amendment No. 61 provide for a joint committee of borough council representatives instead of the appointed London planning commission originally envisaged in the Bill. The purpose of the joint committee would be to consider matters of common interest relating to the planning and development of Greater London and to inform the Secretary of State and neighbouring planning authorities of its views. It is important to note that the joint committee will not itself be a planning authority but an advisory committee, as the originally proposed London planning commission would have been.

The Lords amendments owe a good deal to the wisdom of my noble Friend Lord Sandford who has great experience in these matters. The London planning commission as an appointed expert body did not find much favour in another place. Instead, there was felt to be a need to co-ordinate the borough councils' approach to planning in and around London. The proposal for a joint committee has the support of the London Boroughs Association and of SERPLAN, the South East Regional Planning Conference. The Government are satisfied that that change made by the other place is an improvement, and I hope that the House will accept the relevant Lords amendments.

The Opposition amendments to Lords amendment No. 2 seek to do two things. First, they seek to extend the joint committee concept to the six metropolitan counties. Secondly—the hon. Member for Norwood touched on this briefly—they would empower the London joint committee, but, strangely, not the metropolitan joint committees, to issue guidance to which borough councils must have regard in preparing their unitary development plans.

I hope that the House will reject both Opposition amendments to Lords amendment No. 2. The Government remain unconvinced that there is any need for special planning machinery to cover the metropolitan county areas. In this context London is and always has been seen to be a special case. London has more than three times as many planning authorities as the largest metropolitan county and the impact of London's development on the surrounding area is far greater and more complex than that of any other conurbation in England. Our original proposal for a London planning commission recognised those facts and the decision to substitute a joint committee of the boroughs cannot alter the case against providing anything comparable for the metropolitan counties because there is simply no need for any such provision. Each of the metropolitan districts will be a powerful elected planning authority in its own right. To impose a joint planning committee would be an unnecessary bureaucratic top hamper and I advise the House to reject the amendments which call for it.

Mr. Wareing: The right hon. Gentleman may regard London's problems as quantitatively greater than those of areas such as Merseyside or Tyne and Wear, but under the Bill the powers granted to the joint planning commission for London will go to the Secretary of State in the case of the metropolitan counties. That is even more bureaucratic. Does the right hon. Gentleman envisage no possibility of conflict between district councils such as Liverpool and Sefton? Such conflict does not make for good local government planning. What advantage is there to the metropolitan counties in the system proposed in the Bill?

Mr. Jenkin: In the case of town and country planning powers in the metropolitan counties the proposal has always been that strategic guidance would be drawn up by the Department of the Environment in response to planning conferences held within the areas concerned. The broad, strategic guidance is and always has been a function of central Government Departments. To try to interpose an extra layer between the powerful district and borough planning authorities and the strategic guidance — I emphasise the word "strategic"—which must inevitably come from central Government will merely create confusion and difficulty, as has already occurred when large bodies of that kind interfere with the planning functions of a large number of districts and boroughs.

Thirdly, amendments to various parts of the Bill seek to provide for multi-purpose directly elected authorities either for London or for the six metropolitan counties or for all seven areas. A number of hon. Members, including my hon. Friend the Member for Harrow, East (Mr. Dykes), have spoken in favour of those amendments.

I note with some relief that this really is the last opportunity to debate this issue. No one has ever denied its importance. It has been the central issue in the Bill. It has been debated time and again at every stage of the Bill —on clause 1 on the Floor of the House, on several occasions in the Standing Committee and again on Report. On that last occasion, on 27 March, the Voice for London amendment was defeated by 335 votes to 193. Now, undaunted — perhaps refreshed after three months' freedom from the need to debate the matter — hon. Members on both sides have returned to the charge yet again.

Mr. Corbyn: And the Government still have not answered the case.

Mr. Jenkin: The formation of the proposal is slightly different from those previously advanced, but the objective is the same. Whatever hon. Members may say, the objective is the retention in a different form of the GLC and the metropolitan county councils.

Mr. Tony Banks: Will the right hon. Gentleman give way?

Mr. Jenkin: No, I have only six minutes left——

Mr. Corbyn: The Secretary of State is destroying local government, but he will not give way to the chairman of the GLC.

Mr. Jenkin: I know that a number of my hon. Friends are and always have been opposed to the abolition of the GLC, but I find the Opposition's stance puzzling. They have not put their names to the amendments relating to London, although they are supposed to be against abolition of the GLC. It is time that we were told what the Opposition policy for London really is.

Mr. Corbyn: Democratic government.

Mr. Jenkin: Do the Opposition agree with the Frankenstein horror of a report currently going the rounds at County hall which proposes to recreate not just the GLC but a body which could take unto itself a whole mass of additional powers, including powers over the London police, many of the functions of the London boroughs, stretching its tentacles right out into the green belt to commutor services and so forth?

Mr. Corbyn: Will the right hon. Gentleman give way?

Mr. Jenkin: That report proposes to lop off a number of outer London boroughs so as to give the resulting body a permanent and undefeatable Labour majority. We need to know whether the Opposition support those proposals.

As for the metropolitan counties, we were interested to see the press notice referring to a letter from the Leader of the Opposition to the leader of West Yorkshire county council, Councillor John Gunnell. The Leader of the Opposition was asked what was the Labour party's future commitment. We now know the answer to that question. The Leader of the Opposition wrote on 4 July:

> "With regard to the future commitment of the party I am quite sure that the strong case for strategic authorities in the metropolitan areas which you have advanced so well will influence our future policy considerations."

That seems a less than wholehearted commitment to restore the metropolitan county councils.

Mr. Tony Banks: Read the rest of it.

Mr. Jenkin: The Government view has always been clear. We oppose recreation of the GLC or the metropolitan county councils in any form. Those authorities do not have enough functions to justify their existence as separate directly elected tiers of local government.

Mr. Dave Nellist (Coventry, South-East): Will the Secretary of State give way?

Mr. Jenkin: Although the amendments proposed today differ in some respects from those put forward on earlier occasions, neither they, nor, with great respect to my hon. Friend the Member for Harrow, East, any of the speeches that we have heard today, begin to make out a case for successor authorities.

[Mr. Jenkin]

Those who advocate directly elected authorities for London and the metropolitan counties have consistently failed to answer the following point. They know that the present arrangements do not work. They know that the boroughs and districts are now the major providers of local government services in those areas. They also know that major strategic planning and strategic transport decisions inevitably fall to central Government rather than to local government. That has always been so and will continue to be so in the future. Any attempt to stake out an area between the strong boroughs and districts and the central Government functions to be covered by an intermediate tier responsible for planning, highways, waste disposal and so on is doomed to failure. It is a very small area and certainly not large enough to justify a separate directly elected authority.

Mr. Nellist *rose*——

Mr. Jenkin: At an earlier stage, my hon. Friend the Member for Harrow, East and other Conservative Members argued that we should abolish the GLC and establish a new body with most of the same functions. That was illogical. They now say that we should abolish the GLC and establish a body covering only a few of those functions. That is even more illogical. If the GLC itself does not have enough functions to justify its existence, how can a body with even fewer functions be justified?

Mr. Nellist *rose*——

Mr. Jenkin: The case for directly elected countrywide authorities for London or the metropolitan counties does not stand up. Between the functions of the boroughs and districts, which are the major providers of services, and the functions of central Government, which are and always have been wider than those of individual boroughs and districts, there is simply not room for an intermediate tier. Acting jointly, the boroughs and districts can, with central Government, provide all the co-ordination that is necessary.

I do not deny the importance of this issue, but it has been debated time and again in both Houses of Parliament and time and again the changes proposed in the amendments have been firmly rejected. I ask the House to reject them firmly today.

Mr. Nellist: I had hoped that while the Secretary of State was speaking, attempting to clear up in people's minds the commitments made from the Opposition Front Bench, he would clear up the confusion resulting from his statements. He said at the beginning of this exercise that 7,100 jobs and £100 million would go if we did not have democratically-elected authorities. Where are those jobs to go? What services? Which counties? What were the targets in the mind of the Secretary of State when he started making those statements one and a half years ago? In Committee and so far on Report we have had no explanation. The hopes and aspirations of working people in the metropolitan areas and the GLC and the security of their jobs——

It being Six o'clock, MR. DEPUTY SPEAKER *proceeded, pursuant to the Order this day, to put forthwith the Question already proposed from the Chair.*

Question put, That this House doth agree with the Lords in the said amendment:—

The House proceeded to a Division——

Mr. Tony Banks *(seated and covered):* On a point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker (Sir Paul Dean): Order. Does the point of order relate to the Division?

Mr. Banks: Yes. We have just had a speech from the Secretary of State for the Environment which lasted about 12 minutes, or one sixth of the allotted time in which the Government have forced the House to consider——

Mr. Deputy Speaker: Order. I am sure that the hon. Gentleman knows that this is not a point of order for me. I am not responsible for Ministers' speeches or their length.

Mr. Banks: Further to that point of order, Mr. Deputy Speaker. I was trying to ask you to protect the rights of Members who want to raise points because you decide when an hon. Member will be called. Ministers who coerce the House in terms of the guillotine should not be given a disproportionate amount of time to speak.

Mr. Deputy Speaker: I understand the hon. Gentleman's point, but he will know that the House has passed the allocation of time motion and it is my job to ensure that the will of the House in that respect is carried out.

Mr. Banks: Further to that point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: Order. I have dealt with the hon. Gentleman's point. He is now getting close to arguing with the Chair.

The House having divided: Ayes 319, Noes 177.

Division No. 256] **[6 pm**

AYES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amery, Rt Hon Julian
Amess, David
Ancram, Michael
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beith, A. J.
Bellingham, Henry
Bendall, Vivian
Bennett, Rt Hon Sir Frederic
Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blaker, Rt Hon Sir Peter
Body, Richard
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruce, Malcolm
Bruinvels, Peter
Bryan, Sir Paul
Buck, Sir Antony
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Cartwright, John
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Coombs, Simon
Cope, John
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dover, Den
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*

Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Freud, Clement
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hancock, Mr. Michael
Hannam, John
Hargreaves, Kenneth
Harris, David
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Higgins, Rt Hon Terence L.
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Howells, Geraint
Hubbard-Miles, Peter
Hughes, Simon *(Southwark)*
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irving, Charles
Jenkin, Rt Hon Patrick
Jenkins, Rt Hon Roy *(Hillh'd)*
Jessel, Toby
Johnston, Sir Russell
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Kennedy, Charles
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Knowles, Michael
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Luce, Richard
Lyell, Nicholas
McCrindle, Robert
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclennan, Robert
Major, John
Malins, Humfrey
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Mitchell, David *(NW Hants)*
Moate, Roger
Montgomery, Sir Fergus
Moore, John
Morris, M. *(N'hampton, S)*
Moynihan, Hon C.
Mudd, David
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Osborn, Sir John
Ottaway, Richard
Owen, Rt Hon Dr David
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parris, Matthew
Patten, J. *(Oxf W & Abdgn)*
Peacock, Mrs Elizabeth
Penhaligon, David
Percival, Rt Hon Sir Ian
Pollock, Alexander
Portillo, Michael
Powell, Rt Hon J. E. *(S Down)*
Powell, William *(Corby)*
Powley, John
Price, Sir David
Prior, Rt Hon James
Proctor, K. Harvey
Pym, Rt Hon Francis
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridsdale, Sir Julian
Rifkind, Malcolm
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sainsbury, Hon Timothy
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steel, Rt Hon David
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wainwright, R.
Wakeham, Rt Hon John
Walden, George
Wall, Sir Patrick
Wallace, James
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Wrigglesworth, Ian
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Carol Mather and
Mr. Donald Thompson.

NOES

Abse, Leo
Anderson, Donald
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Bell, Stuart
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Carter-Jones, Lewis
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Conlan, Bernard
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Cunliffe, Lawrence
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dixon, Donald
Dobson, Frank
Dormand, Jack
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Ewing, Harry
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald

Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gould, Bryan
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Central Fife)*
Hardy, Peter
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Haynes, Frank
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Hoyle, Douglas
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
Janner, Hon Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kilroy-Silk, Robert
Kinnock, Rt Hon Neil
Lambie, David
Lamond, James
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
McCartney, Hugh
McDonald, Dr Oonagh
McKelvey, William
McNamara, Kevin
McTaggart, Robert
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael
Michie, William
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Rowlands, Ted
Ryman, John
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Stott, Roger
Strang, Gavin
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Torney, Tom
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
White, James
Wigley, Dafydd
Williams, Rt Hon A.
Winnick, David
Woodall, Alec

Tellers for the Noes:
Mr. John McWilliam and
Mr. Allen McKay.

Question accordingly agreed to.

MR. DEPUTY SPEAKER *then proceeded to put the Questions on the remaining Lords amendments to be disposed of at that hour.*

Lords amendment: No. 3, in page 3, line 38, at end insert—

"( ) The Secretary of State shall before the abolition date lay before Parliament a report on the steps he will take to secure the full adoption by metropolitan district councils and the London borough councils of those facilities, services, and responsibilities for the protection and enjoyment of the countryside and areas for urban nature conservation which serve the continuing needs of the wider county areas and neighbouring populations."

Read a Second time.

Amendments made to Lords amendment, *(a)* in line 4, leave out 'metropolitan district councils and the London borough councils' and insert

'the councils to which functions are transferred by this section in Greater London or a metropolitan county'.

(b) in line 8 leave out 'the wider county areas' and insert 'Greater London or that county'.—*[Mr. Patrick Jenkin.]*

Lords amendment, as amended, agreed to

Lords amendment No. 2 agreed to.

Lords amendment: No. 4, before clause 7, insert the following new clause — *Highway and Road Traffic functions*

" . The Secretary of State shall by order taking effect on the abolition date make provision for the London Residuary Body to exercise the following functions relating to highways and road traffic in London to the extent and in the manner that such order shall provide—

(a) that the Body shall have a duty to prepare, in consultation with the borough councils, plans relating to highways and traffic in Greater London and the Body and borough councils shall have regard to such plans when exercising their statutory functions;

(b) that it shall be a duty of the Body to establish and maintain an organisation for the purpose of assembling, disseminating and keeping up to date, information on road traffic and other transport in Greater London and that the Body may commission such research and carry out such surveys as they think fit in fulfilment of this duty;

(c) that the Body shall have the functions of the highway authority under the Highways Act 1980 in relation to metropolitan roads;

(d) that not later than 1st April 1987 the Body shall, in consultation with the borough councils review the existing network of metropolitan roads and prepare and submit to the Secretary of State for his approval proposals for the revision of that network;

(e) that, as respects metropolitan roads, the Road Traffic Regulation Act 1984 shall apply to the Body (for the purposes of traffic management and parking control) as they now apply to the Greater London Council;

(f) that the Body shall be a local authority for the purposes of section 38 of the Road Traffic Act 1972 (power of local authorities as to giving of road safety information and training);

(g) that the Body shall be authorised, for the purpose of regulating traffic on metropolitan roads, to exercise the powers of a borough council under the said Act of 1984 as respects roads communicating with or adjacent to metropolitan roads in accordance with procedures to be prescribed by the Secretary of State;

(h) that, for the purposes of ensuring that the exercise by the London borough council of their powers under the Road Traffic Regulation Act 1984 does not have any adverse effect on traffic on roads for which they are not the highway authority, the Body shall be given reserve powers similar to those given to the Secretary of State in Part 1 of Schedule 9 of the said Act;

(i) that the Body may exercise the powers of a London borough council or the Common Council under sections 6 and 9 of the Road Traffic Regulation Act 1984 for the purposes of prohibiting or restricting such use of heavy commercial vehicles as the Body considers expedient for preserving or improving the amenities of Greater London or some part or parts thereof;

(j) that the Body shall have a duty to control, manage, maintain and, where appropriate, develop and extend the system of urban traffic control through traffic light signals established by the Greater London Council;

(k) that the Body shall be a 'London Authority' within the meaning of section 50 of the London Regional Transport Act 1984 (travel concessions on journeys in or around Greater London);

(l) that the Body shall be able to assist, by way of grant or loan, the provision of transport services by a voluntary organisation for the benefit of the public or any class of persons."

Read a Second time.

Mr. Jeremy Hanley (Richmond and Barnes): I beg to move amendment (b) to the Lords amendment, in line 26, at end insert

'provided that, if such revision contains proposals for the designation of existing metropolitan roads as trunk roads, a public enquiry shall be held before any such road shall be so designated by the Secretary of State.'.

Mr. Speaker: With this it will be convenient to take the following: amendment (c) thereto, in line 26, at end insert

'and the Secretary of State shall not direct that a highway or proposed highway shall become a trunk road until he has considered the proposals submitted to him under this subsection.'.

Lords amendment No. 5, before clause 7, insert the following new clause—

Strategic Highway Functions in Metropolitan Counties

". The Secretary of State shall by order taking effect on the abolition date make provision for the authority established by section 27 of this Act for each metropolitan county to exercise the following functions relating to highways and road traffic in that county to the extent and in the manner that such order shall provide—

(a) the functions of the highway authority under the Highways Act 1980 in relation to principal roads within the county;

(b) the functions of a county council and a highway authority for the purpose of the Road Traffic Regulation Act 1984 in relation to principal roads within the county;

(c) issuing guidance as to the manner in which in relation to non principal roads the councils of metropolitan districts should exercise their powers under the 1984 Act, for the purpose of ensuring that the exercise by such councils of those traffic powers in relation to non principal roads does not have an adverse effect on traffic or any class of traffic using principal roads within the county or any traffic or class of traffic in any area other than the area of the district council, as the case may be;

(d) the functions relating to the construction and maintenance of bridges within the county which on that date are the responsibility of the highway authority;

(e) the functions contained in the Road Traffic Acts 1972 and 1974 in so far as the same relate to road safety within the county; and

(f) the collection, examination, analysis and dissemination of data required for the discharge of those functions."

Lords amendment No. 6, in page 4, line 3, leave out from first "to" to end of line 7 and insert

"give effect to the transfer of functions relating to those matters—

(a) from the Greater London Council—

(i) in part to the London residuary body; and

(ii) in part to the London borough councils and the common council; and

(b) from the metropolitan county councils—

(i) in part to the metropolitan county strategic transportation authorities; and

(ii) in part to the metropolitan district councils."

Lords amendment No. 7, in page 4, line 13, leave out from second "the" to "and" in line 15 and insert

"metropolitan county strategic transportation authorities and London residuary authority."

Lords amendment No. 8, in page 4, line 19, leave out from" metropolitan" to end of line 23 and insert

"county strategic transportation authorities and London Residuary Body;"

Lords amendment No. 24, in clause 27, in page 18, line 18, leave out "Passenger"

Lords amendment No. 25, in page 18, line 19, leave out "Transport" and insert "Strategic Transportation"

Lords amendment No. 26, in page 18, line 20, leave out "passenger"

Lords amendment No. 27, in page 18, line 20, leave out "transport" and insert "strategic transportation"

Lords amendment No. 28, in page 18, line 21, leave out "passenger"

Lords amendment No. 29, in page 18, line 21, leave out "transport" and insert "strategic transportation"

Lords amendment No. 30, in page 18, line 23, leave out "passenger"

Lords amendment No. 31, in page 18, line 23, leave out "transport" and insert "strategic transportation"

Lords amendment No. 32, in page 18, line 27, leave out "passenger"

Lords amendment No. 33, in page 18, line 27, leave out "transport" and insert "strategic transportation"

Lords amendment No. 40, in clause 38, in page 24, line 17, leave out "passenger"

Lords amendment No. 41, in page 24, line 18, leave out "transport" and insert "strategic transportation"

Mr. Hanley: These amendments deal with the vexed subject of the trunking of the south circular road. As many Members will know, this road is a scar through the middle of an otherwise beautiful constituency. The level of traffic on it is totally unnecessary for the local area, and the road itself was not designed to take the level of traffic now on it. It is an unnecessary road, following the completion of the M25, and is totally inadequate.

There is no point in trying to upgrade the road, because, following what I hope will be improvements after a possible west London relief road has been constructed, this part of the south circular road will be rendered redundant. The main argument of my constituents is that under this Bill the trunking procedures required by the Highways Act 1980 are being abolished in the case of the south circular road. One can have public inquiries at any time up to the effective date of the Bill and at any time after the effective date of the Bill, but on the date the Bill is passed the rights of my constituents with regard to trunking will be removed.

6.15 pm

One of the other worries of my constituents is that the south circular road just shovels in the problem from somewhere else. The headaches and miseries my constituents suffer as a result of the traffic, especially lorries, are totally unacceptable and before the road is trunked they would like to express their total opposition to the whole subject of trunking. As a result of the effective abolition of the Highways Act by this Bill, the rights of my constituents will expunged.

I am grateful to the Government for building the M25, which will take a considerable amount of lorry and car traffic out of the south circular road areas. But the M25 will take only approximately 18 to 20 per cent. of that volume. In any event it is not yet finished, and we do not know what will be its exact effect. The democratic rights of my constituents ought to be enshrined in public inquiries before trunking takes place.

I cannot speak too highly of the Minister of State for the way she has tried through public meetings and through letters and interviews with local journals to put her side of the story. She has assured my constitutents that there will be public inquiries prior to any road widening schemes. She also says that no road widening schemes are planned at the moment, but, without prejudice to the assessment studies being carried out at the moment, if there is any widening later there will be public inquiries.

My constituents are somewhat jaundiced about Government assurances following the abolition of the 275,000 aircraft movement limit at Heathrow recently,

[Mr. Hanley]

and therefore wish to have the opportunity of a public inquiry so that the inspector can properly hear the views of people in this area.

One of the things my hon. Friend the Minister does not fully appreciate, but I believe that her officals do, is that there is a basic difference between public inquiries into trunking proposals and public inquiries set up for road widening proposals following this legislation.

A trunk road inquiry differs substantially from an inquiry into a local authority road proposal, because whereas a local authority requires a compulsory purchase order and then a side road order, line orders are not made for local authority roads. Unlike a trunk road, planning permission is required for the construction of a new road by a local authority and where an inquiry is needed into the refusal of planning permission or a called-in application for a new road it will normally be held concurrently with the inquiries into the CPO and the SRO.

The promoting local authority at a public inquiry will be required to prove its case up to the hilt. Before objections are considered it will have to call evidence establishing the need for the road and justifying the scheme as being the best way of meeting that need. By contrast—and this is where constitutionally the people of Richmond are getting a raw deal—the purpose of a trunk road inquiry is not to enable the Secretary of State's case for building the road to be tested in public, but to inform the Secretary of State of the weight and nature of objections to the scheme. The key tasks of the inspector are to take account of objections from people affected by the proposals, to report on those objections and to make recommendations on the proposals. But perhaps the most controversial aspect of road trunk inquiries is that questions on Government policy are outside their scope. The procedural rules specifically require the inspector to disallow any questions which in his opinion are directed to the merits of Government policy. We believe that any inquiry before trunking would give full protection to my constituents. They demand that right.

I can do no better than quote some of the demands made by an organisation called Richmond Residents Against the A205 Trunking. That group has acted non-politically and in a completely non-partisan way. It has worked hard to try to bring to public attention the constitutional disaster that trunking under the Bill produces. I agree with every statement that the organisation makes. It stated:

"We want to cross the main road with no more difficulty than now. We do not want to have to use bridges and tunnels. We want to be able to take our children to school and to shop without being buffeted by vehicles of all sizes or weights. We do not want pavements narrowed in the shopping areas. We want to be able to shop freely on both sides of the road."

Communities are otherwise destroyed.

"We do not want our main road run by a Whitehall department that sees it as a through route to somewhere else, attracting traffic through our constituency. We want the Government to accept any changes made by the House of Lords aimed at keeping London's roads under London control."

The organisation wants a public inquiry.

My final worry is that, even if we had a public inquiry after the road had been trunked and were able to put forward the environmental matters that we believe should be considered with regard to any widening proposals of the south circular road, an inspector might have to resort to the Trunk Roads Act 1936, which describes trunk roads as:

"the principal roads in Great Britain which constitute the national system of routes for through traffic".

In the face of that definition, an inspector would have to say, "I hear the environmental considerations put forward by the local community but, because it is a trunk road, in the national interest I shall order it to be widened." Our ability to complain has been eroded by the Bill.

The Minister of State, Department of Transport (Mrs. Lynda Chalker): I understand the worries of my hon. Friend the Member for Richmond and Barnes (Mr. Hanley), because he has expressed them time and again, as is his right. While I fully agree that conditions on the south circular road are completely unsatisfactory and have every sympathy with those who live, work and shop nearby, the road cannot be altered without a public inquiry. The distinctions that he drew between a local road inquiry and a trunk road inquiry are theoretical. Government policy will always be discussed at a trunk road inquiry. There has never been one where that has not occurred. In practice, therefore, the Secretary of State for Transport must justify his case fully. I cannot accept what my hon. Friend was saying about the difference between the two types of inquiry.

Amendments (b) and (c) which my hon. Friend has tabled have problems. First, amendment (b) is incompatible with the power contained in schedule 4 for the trunking of some metropolitan roads on abolition date. Amendment (c) would stop any trunking order anywhere in the country between now and April 1987 at the earliest, because, as my hon. Friend is aware, the power to trunk contained in schedule 4 has been debated and approved by both Houses.

Mr. Hanley: I tabled amendment (b), not (c), which is in the name of the Leader of the Opposition.

Mrs. Chalker: I apologise, but the same applies, whoever tabled the amendment.

Mr. Peter Snape (West Bromwich, East): The hon. Member for Richmond and Barnes (Mr. Hanley) spoke to amendment (c), not (b).

Mrs. Chalker: I thought that I heard that mentioned before. I am asking the House to resist amendments (b) and (c), for the reasons that I have given. Amendment (c) would stop any trunking order anywhere in the country between now and April 1987 at the earliest. Given the correspondence which I frequently receive in which I am asked to trunk some roads, that would be in no one's interests.

We have debated the power to trunk contained in schedule 4, and it has been approved by both Houses of Parliament. Any proposals to trunk roads in London after abolition date would have to follow the procedures laid down in the Highways Act 1980. In other words, even if the residuary body conducted a review of metropolitan roads for 1987, any trunking proposals would still be subject to the provisions of the Highways Act 1980.

My hon. Friend is aware, and I repeat, that the ownership of GLC roads will be transferred to the appropriate successor authorities at abolition date. I resist amendment (b) because if we were to use the powers contained in the Highways Act 1980 there would be a long period of uncertainty, not just about the A205 in my hon. Friend's constituency, but about all the other parcels of land in the metropolis covered by that provision. It would

impose upon local ratepayers the cost of maintaining those major roads in the meantime. I do not believe that that is fair.

It is right for me and the Government to make clear what the transfer of ownership at abolition will mean. Similar transfers of ownership have been made through legislation before—in 1936, 1946 and in 1963 when the GLC was established.

My hon. Friend asked about improvements. He said, "When?" I say, "if". While we are seeking to improve the environment along the south circular road and in other places, there is no certainty that any of the matters which he and his constituents fear will occur. As he correctly said, we have no plans to improve the road. If there were any proposals to improve the road, they would all follow the normal procedure of public consultation and inquiry, and the full provisions of the Highways Act 1980 would bear upon the handling of the improvement proposals. The power contained in schedule 4 gives the Department no authority to carry out improvements. I hope that that is clear once and for all.

I repeat what we said in Committee, on Report and in the other place, that we shall not revive the ringway road and motorway box ideas. Those plans are long since dead and buried. Those who say that there will be concrete in various places across London which today are the city's lungs are merely scaremongering. They have been financed through the GLC to act in that way.

Sir Geoffrey Finsberg (Hampstead and Highgate): My hon. Friend said that there are no plans to revive the motorway box around London. Will she remind herself and others that the originator of the motorway box idea was the Labour-controlled LCC and not the Conservative party?

Mrs. Chalker: My hon. Friend is correct. Many of those living in the area which would have been affected by the proposal were devoutly opposed to it then, and we have never changed our position.

Mr. Tony Banks: Why was the Conservative administration at county hall between 1971 and 1973 so much in favour of the motorway box?

Mrs. Chalker: The hon. Gentleman knows that not every member of his party agrees council to council. I should have been surprised if after public inquiries those plans had then gone ahead. I am speaking for a large number of people, of whom I am one, living in the area. When the LCC proposed those plans, we knew what would happen if they were allowed to proceed. There are no proposals for a ringway road and a motorway box.

Amendment No. 4 seeks to transfer the GLC highway and financial responsibility to the London residuary body. I sympathise with some of the objectives of the clause, but it is unworkable and inconsistent. Perhaps I can tell the House why it is inconsistent with the general policy underlined in the Bill. The clause would retain a three-tier structure for highway responsibilities in London. It would introduce a new three-tier structure for traffic responsibilities, and it would run counter to overall policy on streamlining embodied in the Bill. It would greatly reduce — perhaps even completely do away with — those benefits which we expect from that streamlining. The residuary body is not a satisfactory body to run these responsibilities. The new clause envisages the GLC's highway and traffic responsibility for metropolitan roads going to the residuary body, and that would be unsatisfactory, because it is only a temporary organisation for major functions such as highways and traffic, because they are permanent functions, and because the residuary body is only an appointed body.

6.30 pm

Both Houses have rejected amendments to establish directly or indirectly elected authorities for metropolitan roads, and therefore metropolitan roads would go to the boroughs, when the residuary body would be wound up. The boroughs are competent to take on the responsibilities for these roads and they are suitable authorities to do so. They are also directly elected. The new clauses are unworkable because they are completely inimical to sensible transport planning for London.

It is true that the residuary body is given certain responsibilities, but these are not set within the wider framework of traffic and highway or London-wide planning duties. Even with the amendments to the Bill which the House has passed tonight, that would not be so. The provisions envisage, in certain cases, dual responsibility for traffic management for the same roads between the residuary body and the boroughs, and I see that as a recipe for trouble indeed. They also create duplication of the reserve powers, with both the Secretary of State and the residuary body having some, but there is no clear division of responsibility for exercising them. They also envisage dual responsibility for prohibiting or restricting the use of lorries, but not for making it clear whether the borough or the residuary body has the final say. They also give the residuary body powers to make grants to any group, as its fancy takes it — goodness knows what they might be — but they do not establish the duties or the systems of accountability in relation to such grants.

The clause does not make proper financial provision for the exercise of highway and traffic functions proposed for the residuary bodies. These are major flaws and they are not the only ones. It is not a matter of tinkering to put these matters right. If the House were to agree with the amendment, substantial parts of the Bill would require major revision. This is not justified when the residuary body is only temporary and when appropriate and competent alternative authorities stand ready and are qualified to take on the responsibilities.

We recognise the need to maintain expert teams, specialist equipment and information gathering. We have always recognised that from the earliest planning days of the Bill. One of the most important things is to maintain the UTC system in London. That is exactly why there is reserve power in schedule 5. We recognise the importance of maintaining data collection and analysis, including accident statistics. We are already discussing with the boroughs how best to maintain the systems and we see the residuary body as providing a home for such systems and staff until permanent arrangements are settled with the boroughs. We do not need a separate strategic body, because our proposals make effective provision for handling the London-wide issues. I can go through those in detail, but the House knows full well what they are.

Sir Philip Goodhart (Beckenham): My hon. Friend is touching on important matters of great interest to our

[Sir Philip Goodhart]

constituents. Can she give any assurance that these matters, when they pass to the boroughs and also to her own Department, will be regularly debated by the House?

Mrs. Chalker: In so far as the boroughs have responsibility, these matters will be debated in the council chambers of those boroughs, but in so far as the Department has responsibility, just like any other responsibilities where the Department is answerable, we shall be answerable in the House. That is exactly the way it should be.

We are against the policy embodied in the new clause proposed by amendment No. 4 because the streamlining functions are there and we do not want duplication of administration and costs. The residuary body is not appropriate for these functions because it is only temporary and is only appointed. The detailed provisions are unworkable, wholly inadequate and, as I have said, would require major revision to remedy the defects. In any case, the highway and traffic responsibilities proposed to be transferred to the boroughs are primarily local in nature and are best handled at local borough level. The wider issues can be handled elsewhere where necessary. Those are the suitable arrangements about which I spoke.

The Government ask the House to disagree with the Lords amendment on the situation in the metropolitan county council areas because the clause also makes the arrangements proposed unworkable. It is particularly wrong to introduce into the metropolitan counties the three-tier structure of highway authorities which has already proved unsatisfactory in London. The strategic transportation authority was given a whole host of extra jobs to be done which should best be done at district level, such as traffic management guidance, taking over construction and maintenance of highway bridges, road safety and data collection—all things which can be done adequately at district level.

The provisions of the clause are attractive only to those who believe that everything should be integrated. There is scope in the clause for regiments of staff to produce plans to co-ordinate public transport and traffic across the metropolitan counties, but the real needs of those districts are very different. Road systems in the metropolitan counties consist of interlinking networks of principal and other roads. Almost every journey involves travel on a principal and other road. It is wrong to have separate highways and traffic management responsibilities. Opponents of abolition have made much of the cross-boundary problems, but under the clause district councils would have to consult not only their neighbouring districts, which they should do anyway, but the joint authority, about almost every traffic problem, even down to double yellow lines.

There is no need for a further tier of highway and traffic authorities in the metropolitan areas, and the district councils will talk to each other, as they do already, about the small proportion of highways and traffic management work which requires their co-operation. I do not believe that the great city authorities, like Coventry or Leeds, cannot manage their roads and traffic in sensible co-operation with neighbouring districts.

Mr. Tony Banks: They have 33 boroughs.

Mrs. Chalker: Nor do I believe that the boroughs cannot manage. They are highway authorities already and co-operate across boundaries, as the hon. Member for Newham, North-West (Mr. Banks), the chairman of the GLC, knows well.

Mr. Banks: Why is the Minister trunking the roads?

Mrs. Chalker: My point about the roads in the metropolitan county council areas is this. We understand that some traffic problems and some road problems need to be considered over a wider district, and that is true of the boundaries of any local authority anywhere in the country. At professional level authorities have good working relationships and joint working arrangements are well precedented, so while I am confident that sensible co-operation will usually prevail, as I have said before, from time to time, just as between other unconnected authorities, problems will arise. For this reason the original provisions provide a framework within which those districts can operate to ensure that wider considerations are properly taken into account.

Mr. Simon Hughes: The Minister has just made the point that in most counties there is one authority. That is because in most counties the travel-to-work area is within one shire county boundary. Does she accept that some at least of the metropolitan areas, archetypically Merseyside, have at present a county area which encompasses one travel-to-work area? Therefore, for example, people do not suddenly cross the Wirral boundary, the Sefton boundary or the Knowsley boundary to Liverpool. They go in and out within that county, and for that county, if not for anybody else, to have no strategic authority higher than district level authority goes against all the logic and all travel patterns and movements.

Mrs. Chalker: I am afraid that the hon. Gentleman is not quite right. The travel-to-work area in my region of Merseyside happens to be Wirral and Chester. Chester is in the Cheshire county council area and Wirral remains for a few months yet in Merseyside. Therefore, we continually cross between two county areas with no difficulty and good co-operation. However, that co-operation happens at local level. If the hon. Gentleman thinks that people observe where the boundary is most of the time, he is in difficulty, because, unlike the French, we do not have signs showing when one is going into or leaving an area.

Schedule 5 contains powers for the Secretary of State to issue guidance to local authorities on traffic management. If the guidance is disregarded, with the likelihood of adverse consequences for a wider area, then, but only in that case, would the Secretary of State intervene if he thought it necessary. Similarly, occasion other local authorities object to a traffic scheme affecting their areas, and if objections cannot be resolved the Secretary of State will, subject to consultation, be able to determine the issue.

One of the most important area-wide traffic management task is the operation of the urban traffic control systems. The Government are fully committed to ensuring continuity in London and the metropolitan counties, and the Bill provides reserve powers for that. If the districts are unable to reach a satisfactory agreement, the Secretary of State can take over such responsibilities. I do not believe that it will be necessary for the Secretary of State to do so, because I believe that in order to carry out their new functions districts will need specialist staff

and facilities from the metropolitan county council. A Government amendment from the other place, which we shall consider later, requires residuary bodies to consult successor bodies about likely needs. The residuary bodies can then take over special manpower facilities, and that will ensure a smooth transition on abolition day.

It is time for districts to get down to considering the ways in which they will meet their highway and traffic responsibilities. They are ready to do so. They do not need strategic authorities, which would simply perpetuate some of the worst features of the metropolitan county councils, and even add to them. That would not be a recipe for improved conditions. Therefore, I hope that the House will disagree with Lords amendment No. 5 as well.

Mr. Snape: I found the Minister's explanation singularly unconvincing, and I think that my hon. Friends will agree. I am the first to concede that the hon. Lady normally deals well with her brief. This was one of the rare occasions on which I have seen her reading the whole brief through from beginning to end.

Mr. Corbyn: Maybe she does not believe in it.

Mr. Snape: I agree with my hon. Friend. I was just about to say that I do not think the Minister believed a word of her brief. She did not appear to convince too many of her hon. Friends, but then again she does not have to. As we saw in Committee, those Tory Members who bother to say anything about the legislation are few and far between, and those who do not bother to say anything vote for the Government anyway, so the Minister does not have too much to worry about.

It will be a sad day for the House when this undemocratic legislation goes through virtually on the nod, as it will by midnight tonight. It will destroy a tier of local government that, whatever its faults over the past 10 years, has proved, particularly in traffic functions, to have been exceedingly valuable and done much good work. The Minister's unconvincing explanation was an illustration of the fact that what the Government are doing tonight they are doing as a result of a Prime Ministerial afterthought in the drafting of the 1983 general election manifesto.

The Government are carrying through abolition without any consideration of the invevitable chaos that will follow when it will fall to those who are at present doing this work in local government to try to make some sort of order out of the chaos—they will try, as they always do. I shall come to the point made by the hon. Member for Richmond and Barnes (Mr. Hanley) in a moment.

6.45 pm

Lords amendment No. 4 deals specifically with London. During the passage of the Bill through the other place, numerous amendments were tabled with the aim of transferring the strategic highway traffic problems to an appropriate single authority to replace the GLC. Directly and indirectly elected bodies were proposed, with obvious local democratic advantages, as well as the London residuary body. In the many hours of debate on this important issue, cogent arguments from both sides of the other place overwhelmingly supported the need for London-wide co-ordination and for integrated solutions to London's complex problems.

Integrated solutions are necessary even though, these days, the Minister sneers at such solutions. Not long ago she was a fervent and passionate advocate of them. She now has to follow a doctrine, but most people, including a majority of the other place, feel that integration for traffic functions is necessary. The Minister may have picked up her boss's habit of sneering at the word "integration", but nevertheless a majority of her party in the other place felt that integration of these functions was called for, and voted for it.

The way that the Minister read out her brief shows that perhaps she should spend some time in private discussons —we shall not embarrass her by urging her to make them public—with some of her political colleagues at the end of the Corridor, because on this occasion they have proved to be more progressive than she is. She normally likes to be thought of as the progressive, warm and humane voice of the Department of Transport and it must be a real problem for her to have to come to the House to read a brief that was more suitable for the abrasive tone of her boss the Secretary of State for Transport.

The Minister has failed to produce any sound arguments to explain how two Departments—*[Interruption.]* The hon. Lady has a patronising air. I know that she loves to see herself as the Marjorie Proops of the Government Front Bench. She dispenses advice such as fasten seat belts, do not drink too much, do not be naughty. That is her general philosophy. Tonight she has a brief that does not enable her to do that. She has to read something saying that integration and all the things in which she used to believe, and which she used warmly to endorse and recommend to the nation, if they would take the trouble to listen, are all in the past. These days, to keep her job, she has to prove that she is just as nasty, hard-line and Right wing as the Secretary of State for Transport.

The hon. Lady dismissed all the arguments for integration and for a London-wide authority for highways. The fact that she has said that it will not work does not make it so. The majority of the other place, and therefore the majority of the Conservatives in the other place, has decided that it will. For once, we have to believe it.

Mr. Corbyn: Does my hon. Friend agree that the performance of the Department of Transport in redirecting traffic from the M1 into traffic jams elsewhere makes it admirably suited to run every traffic scheme throughout London and the metropolitan counties?

Mr. Snape: We had exchanges on this point as recently as last Monday. Once again, when the Minister's inherent goodness was called in question by Labour Members, she stamped her foot and said that such criticism was terribly unfair. However, I do not wish to debate the M1 motorway now.

It is for the Minister of State to convince her hon. Friend the Member for Richmond and Barnes that she is not about to turn his constituency into a motorway. I do not know how convincing she was; no hon. Member will know until the hon. Gentleman comes to a decision at the end of the debate. However, I found the Minister of State's reply to her hon. Friend singularly unconvincing. It was as unconvincing as the rest of her speech.

The other place believes that there are considerable advantages in the amendment that the Government are seeking to remove. I am not allowed to refer directly to what was said in the other place, and I would not dream of doing so, but it is possible to paraphrase what was said by those Conservative Members of the other place who

[Mr. Snape]

participated in the debate. With one exception, the Government had no supporters. Some of the speeches should leave the Minister of State in no doubt about the lack of support that their proposals command and about the widespread concern that is felt in both Houses about their inherently undemocratic nature.

The Opposition believe that there are numerous advantages in amendment No. 4. The advantages that were incorporated by the other place mean that the substantial though negative powers of the Secretary of State have been removed. The old fashioned Conservative party would have supported their removal. It professed not to like over-centralisation. If Conservative Members believe that the Secretary of State is hardly the person to leave in charge of a whelk stall on a wet Whit Monday, never mind being in charge of London's strategic highways and planning functions, they ought so to indicate when they have the opportunity to vote.

Amendment No. 4 retains economies of scale arising from the handling of large-scale programmes. The Minister of State was singularly unconvincing about the fragmentation of these functions if the Lords amendment is rejected. The amendment retains a degree of centralised leadership regarding the assessment of priorities and there would be central funding of projects where that is most needed. Is there to be competition between the boroughs? That would mean that those who shouted the loudest, or put in their bids first, would get the financial wherewithal to carry out their role, instead of sensible, centralised planning for highways.

The amendment would provide the body concerned with sufficient breadth and a sufficiently large budget to sustain specialist teams with the computer back up and data collection systems that were referred to in Committee. Few hon. Members who heard the Committee debate would doubt the need for capital-wide planning for these functions.

As for amendment No. 5, the Government were found to have few friends in the other place for their metropolitan county council proposals. The other place made it clear, to say the least, that it was very unhappy about the Government's proposals, particularly about the proposal to devolve highway and traffic functions to district councils. Lord Molson referred to the unsatisfactory nature of the Government's proposals. Although the Minister of State is pulling a face at me for referring to Lord Molson, I think that it is in order for me to mention in passing what he said. Let me try the Earl of Cranbrook on the hon. Lady. He was the Chairman of the Select Committee which had some harsh words to say about the Government's proposals. It is no use for the Minister of State to hide her face and whisper. If she is cross with the more senior members of her party in the other place, that is a matter for her. The Earl of Cranbrook referred to bridge and highway design, major road schemes, urban traffic control, data gathering and travel demand forecasting and said that all such matters ought to be dealt with by a strategic transport authority.

It is significant that the Government's proposals for the metropolitan county councils have been found to be completely unsatisfactory. The Select Committee of another place has also published a report on the Government's proposals. I assume that a majority of Conservative party members serve upon it. The noble Earl to whom I have referred is the Chairman of that Committee and at column 62 of the Select Committee's report he said:

"voluntary joint committees appear unlikely to be to resolve the inevitable policy conflicts, or lead authorities to resolve the conflict between their service role and their policy interests."

The report then said that a more practical option would be a joint authority. It is remarkable when the, in our view, undemocratially appointed members of another place lecture an elected Conservative Government about local democracy. If somebody had said to me a decade or so ago that this would happen, I should have expressed great surprise. The Government have no friends for these proposals.

Amendment (b) was moved by the hon. Member for Richmond and Barnes. It is a wondrous thing, having the smallest Conservative majority in England——

Mr. Hanley: Will the hon. Gentleman give way?

Mr. Snape: No, I have not finished yet. The hon. Gentleman had a fairly good run. I think that I am on fairly safe ground if I say that he has the smallest Conservative majority in any London constituency. The hon. Gentleman appeared on television, which gave him the opportunity to explain the difficulties that his Richmond constituents will face if the Government's proposals are accepted. I ask again: Has the Minister of State fully satisfied her hon. Friend the Member for Richmond and Barnes? If so, he will let the House know, but I shall be surprised if he has been satisfied by the Minister of State's explanation. She said that if the powers contained in the Highways Act were used, her hon. Friend's constituents would face long periods of uncertainty. That was the Minister of State's phrase; I wrote it down.

I hope that the hon. Member for Richmond and Barnes will agree with me that uncertainty is exactly what his constituents are facing now. One of the reasons why they have written to him is to demonstrate that they are already suffering because of the long period of uncertainty caused by the Government's proposals. If the hon. Member for Richmond and Barnes is satisfied by the Minister of State's explanation, he will say so, but, if not, he will not complain if I exploit that fact. He has had a good run this evening, even though there was insufficient time to debate the matter in Committee because of the appalling, undemocratic guillotine procedure to which the Government have had to resort to get the legislation through this House.

If, like me, the hon. Member for Richmond and Barnes is denounced for scaremongering — that is what the Minister of State will say about him if he refuses to accept her explanation—he will have to live with it. Some of us will make sure that the Minister's comments receive fairly wide circulation not only in the hon. Gentleman's constituency but in the other parts of London where people are worried about these proposals.

7 pm

The author of the Bill—the Secretary of State for the Environment — is not here. The man who builds the Boeing 747 aircraft has to fly one, but the right hon. Gentleman has disappeared. The Bill's pilot — the Minister for Local Government—sits beside the Minister of State, Department of Transport. The right hon. Gentleman has had a fairly good run during the Bill's

passage. In his humorous way, he has convinced many of his colleagues that the Bill's proposals are totally innocuous.

Mr. Corbyn: He has frightened them.

Mr. Snape: He has persuaded some and frightened others. Normally, he tries not to be too frightening. If there were ever two strong favourites for the political guillotine in October, it is the Secretary of State for the Environment and the Secretary of State for Transport, although the Secretary of State for Transport appears to have been temporarily reprieved. If the Minister for Local Government fulfils his ambitions and enters the Cabinet in October, it will, no doubt, be seen as a suitable reward for this appalling legislation. Like the Minister of State, the right hon. Gentleman knows that he would not reject this proposal if he were really master of his own Department——

Mr. Jack Straw (Blackburn): Or master of his own ambitions.

Mr. Snape: —or master of his own ambitions, as my hon. Friend has reminded me.

I admire the Minister's sartorial elegance. His tie reminds me of a British Rail adverisement about black dots and red dots. In his case, the red dots are all the lies that have been told during the past 12 months or so about expenditure in local government and the democratic nature of the Bill's proposals. The black dots are some of the promises that have been made during the passage of the legislation, which will prove to be as worthless as other Government promises. Although the right hon. Gentleman might well receive his reward in October, it is likely to be short-lived. In the opinion of everyone concerned with the functions of local government, he has done local government no service.

Mr. Spencer Batiste (Elmet): Whilst I agree with the principle of abolition and the Bill's main provisions, I believe it right to consider whether there are better ways of preserving some local centres of great excellence. My constituency, which is on the boundary of west Yorkshire and north Yorkshire, falls within Leeds and the urban traffic control area of the west Yorkshire metropolitan county council. I accept the arguments that have been advanced by my hon. Friend the Minister of State that an area on the border of different traffic authorities—the problem is exacerbated in my constituency as the A1 goes through the middle of it—emphasises the importance of consultation and of working together. Nevertheless, I am concerned that the centre of excellence represented by west Yorkshire's urban traffic control system should be effectively preserved.

The system in west Yorkshire is one of the most advanced in this country, if not in the world. It is highly integrated and inter-active between a complementary range of services. Many of its ideas for road construction and embankments are especially innovative. The system is a considerable source of pride to the people of west Yorkshire.

It is possible for my hon. Friend the Minister of State to say that, with such a centralised system, a lead authority such as Leeds where the central computer is situated could be an effective way of running the system. However, when dealing with urban traffic control a number of priorities have to be balanced and local jealousies between different district authorities might preclude the effective working of the system, particularly if the lead authority is especially large.

How will the Government ensure that that system is not broken up if the district authorities are not able to agree?

Mrs. Chalker: The expertise of the west Yorkshire team is very impressive. I have seen the team in operation. It is right that we should safeguard that expertise. That is where the residuary body can supply the temporary home. The officers of the west Yorkshire county council have said that they believe that they have a role to play. They have formed a company and could use their expertise as a privately run centre of expertise on offer to all districts in the area. That is exactly what we would expect them to do. The co-ordinating committees would have the duty to consider joint arrangements.

Mr. Batiste: I am grateful to my hon. Friend for that comment.

I am especially worried about the time scale on which change will occur. The people who work for the urban traffic control system in west Yorkshire have very marketable skills. Many of them have been approached by consultants and other companies outside the public sector seeking to snap up their services. These people are highly motivated. They want to work within west Yorkshire's integrated system. Obviously, if they see an uncertain future, they may be tempted by some of the offers. Indeed, I understand that some have already gone to work elsewhere.

I am seeking a clear commitment from the Government that, if the district authorities are unable to co-operate to preserve the urban traffic control system in west Yorkshire, they will step in and ensure that this centre of excellence, which is so highly prized by the people of the area, is retained. The Lords amendment provides one means of doing this. I hope that my hon. Friend the Minister of State can give sufficiently firm assurances of another.

Mr. Simon Hughes: We are discussing one of the principal parts of the Bill. The other place took the view that transport planning should be "integrated" with the running of transport services. Two large amendments are being considered—the first concerns London and the second concerns the metropolitan authorities. I do not think that the Minister of State admits to understanding why we are so keen to persuade her that it would be better to agree with the Lords, so I shall remind her.

No one would say from choice that a body called the "London residuary body", which is a collective of people appointed by the Secretary of State, is the best organisation to take on the co-ordinated planning functions of transport in London. There are not many options available if the Government get rid of a directly elected strategic authority—the option of no co-ordinating body, or the option of something that is better than nothing.

The measure is strongly supported because many people, including most experts who have given evidence, would rather have a co-ordinating body that can consider the problems of London traffic and strategy as a whole. They do not want it to be a Minister.

To give a practical example, outside my street door there is a small road with a wall beyond it, and on the other side of the wall is a large open space that could well become a main road. I would far rather that the people

[Mr. Simon Hughes]

making decisions about what happens to that space, and whether it ever becomes a through road from the Bricklayers Arms down to Woolwich or anywhere else, were a group of non-elected people with special responsibility for all London. I would prefer that body —which could eventually, because it might survive a bit longer than the Government, be converted back into a group of elected representatives—to make the decision rather than that the Secretary of State did. I trust a group of people, and preferably a group of elected people, far more than I trust the Secretary of State to make a decision about the strategic planning of roads in London and what should travel on them.

Mr. Corbyn: Do I understand that the Liberal party is now in favour of quangos rather than directly elected authorities to look after planning in London, or is the hon. Gentleman in favour of centralising power? I think that the country needs to know, and the SDP needs to be told.

Mr. Hughes: The SDP and the Liberal party will tell the hon. Gentleman—he now knows it because he has heard it often—that we entered into the debate on the Bill knowing our policy for London and not having to announce it this morning, as did the Leader of the GLC on the radio and elsewhere. Our policy has always been that London needs a regional authority directly elected which should cover these powers and many others. The new super-expanded GLC, for which the present GLC chairman and others will be fighting, is a concept that they have adopted from us, and we have been arguing it for a long time. I am sorry they are so slow at reaching the right conclusion, but that is not unusual. [HON. MEMBERS: "What about quangos?"] We do not want a quango, but we do not want the Secretary of State deciding what should happen in London transport in strategic planning terms.

As regards outside London, according to the amendment, the strategic highway functions which are now governed by the county councils should go to the passenger transport authority which is being set up under the Bill. In the course of debates, it has become clear that some very popular services are being produced by local government in the metropolitan counties. The Tyne and Wear Metro service is one, the public transport service in south Yorkshire is another. They are popular because they are good services, well used, and cheap and because expertise is co-ordinated in running them and in planning for the future. They link the number of people who want to use transport with the transport provided, be it roads or rail lines.

I ask the Minister to say that it is appropriate, as we proposed in the other place, to accept that in the metropolitan areas we, too, co-ordinate to avoid this muddle. The Government are asking us to believe that, in a series of discussions, the districts can agree on some of the most controversial issues. Such issues cannot be reconciled if one district believes that there should be a road while the other does not, and the two districts are adjacent.

I wish to comment on the amendment of the hon. Member for Richmond and Barnes (Mr. Hanley). He has been under a lot of pressure from his constituents, quite rightly. We all know the effect of a power which allows the Secretary of State to make decisions about the trunking of roads in London and all the implications on the hon. Gentleman's constituents and all the people who live along the south circular road, in the borough of Southwark and beyond of trunking in London. Given the Minister's intention that many roads like the south circular will be trunked, the result will be roads which have more traffic, more disruption and more environmental problems for the people who live and work alongside them.

The amendment is a modest one, and I am surprised that the Minister does not accept that the hon. Member for Richmond and Barnes needs her support. However hard the hon. Gentleman will have tried, he will have had to tell his constituents that I and others have argued the case that there ought to be a public inquiry before roads in London are trunked, but it fell on deaf ears—Tory deaf ears, Tory Government deaf ears and even the deaf ears of the Minister, who has her home not all that far from the south circular.

If the Government do not think again, the Lords may well stand by what they said last time and the Government may risk losing the Bill as a whole instead of enacting it with amendments that come from sane and sanguine proposals made by people who are trying to improve an appalling piece of legislation.

Mr. W. Benyon (Milton Keynes): The hon. Member for Southwark and Bermondsey (Mr. Hughes) is not alone in being worried about the accumulation of power to the Secretary of State which is the basis of the matters that we are now discussing. Due to a quirk of our procedure, amendment (a) tabled by the hon. Member for Harrow, East (Mr. Dykes) cannot be discussed in this section because it has already been debated.

There are obviously grave shortcomings about the residuary body for London. I am concerned about Lords amendment No. 4 only, and not about the other metropolitan counties. I had hoped that the Government would say that, because the other place has looked at the matter carefully, considered the various implications of what is proposed and decided that there should be a Londonwide body to carry out these functions, they would pay respect to that and, if we do not like the residuary body, would find some other way of operating this overall power.

7.15 pm

As someone who has had a certain amount of experience of local government at county and district level, I cannot see how matters will work out in practice when we get down to the nitty-gritty of planning roads in London in future with the various traffic aspects involved, even if it is only a system of traffic lights. I cannot see how that will be worked voluntarily by the boroughs.

The power going to the Secretary of State will be considerable, and can be exercised only with an increased number of staff. I know this is rather like twice cooked meat—we have been round this course so often in the past in relation to the Bill. It is a question of how one views local government and forms one's ideas on that basis. None the less, I think it is sad that the Government are to resist the Lords amendment.

Mr. Wareing: The need for an integrated countywide authority is very great in an area like Merseyside. I am surprised that the Minister does not recognise the true needs of Merseyside and how these are likely to be jeopardised if the Bill—and particularly this part of it—is enacted.

On Merseyside, the principal road network takes up 10 per cent. of the total network in the area. Although the principal roads represent only 10 per cent., they carry 50 per cent. of the traffic. Most of the business traffic and heavy goods vehicles cross the boundaries between the various districts. Fifty per cent. of car drivers commute across district boundaries in Merseyside. I cannot accept the point that the Minister made in reply to the hon. Member for Southwark and Bermondsey (Mr. Hughes). The travel-to-work area for most of those people who live in the built-up parts of the Wirral, the old constituency of Wallasey and Birkenhead is undoubtedly across the river Mersey into the rest of the conurbation, and particularly into Liverpool.

If one looks beyond the highways, one finds that 80 per cent. of traffic signals on Merseyside are under central computerised control. Therefore, a countywide operation is essential, for which the districts are not automatically prepared. Urban traffic control cannot be managed in isolation from all the other traffic and highway functions such as the collection and analysis of data traffic management, road improvements and route signing, all of which are closely bound up with urban traffic control.

There are many specialist services which must be shared for economic reasons. It is clear that they are too costly to duplicate. I cannot conceive that Sefton, the Wirral, Liverpool, St. Helens and Knowsley will be able to provide services to provide urban traffic control, research and development, bridge inspection and maintenance, engineering laboratories, geo-technical surveys and materials testing and development. All these services are highly costly.

It can be argued that it is possible for such services to be provided by someone else, and I think that the Government have someone else in mind. They are not concerned with replacing one democratic countywide authority with another such body, which might be elected indirectly by the people of Merseyside through their district councils. All the evidence would seem to point in the other direction. The authority that the Government have in mind is the Secretary of State for Transport. Heaven help us if he were to take control. One example of his control is the shambles of the Transport Bill that is before Parliament.

Districts do not necessarily have coincidental interests. There may be many conflicts between district councils over the need to provide, maintain or restore certain roadways. A district council could downgrade a vital strategic route either explicitly or by neglect at the expense of essential traffic that is generated elsewhere.

The real reason for the introduction of the Bill, and the reason why no adequate democratically elected control of authorities is envisaged within it, is that the Government dislike the present political control of the metropolitan counties. That is the sole reason for the Bill being before us. If Merseyside were run by the Conservative party, for example, the Bill would not be with us.

If the Minister of State is suggesting that the district councils will be able to afford to provide the services and functions that we are discussing, I believe that she is quite wrong. New clause 8 would forestall the real danger of continuing central Government encroachment on local responsibility for principal roads. That is why the House should approve it. It obviates the need for the reserve powers that the original Bill sought to give the Secretary of State.

There are those who say that the Secretaries of State for Transport and for the Environment genuinely envisage the district councils having more power over highways, that they are democratically elected and that there is nothing sinister about the Bill. A real sign of the Department of Transport's intentions on strategic highway issues is to be found in a guidance note that the Department issued recently to district councils to assist them in planning for their enhanced transport responsibilities. The existing strategic functions of the metropolitan county councils is scarcely mentioned and there is no reference to the relevant manuals and advice notes. Against that background, and with the reserve powers that are contained in the Bill being directed specifically at matters of more than local significance, it seems that the Department rather than the districts will be the de facto highway authority for principal roads under the Bill's original provisions.

A provision for a countywide highway authority would impede the covert increase in Government power and responsibility. That is why new clause 8 is essential even to support the Government's argument, which I do not think they believe in themselves, that there must be co-operation between the districts to obtain a countywide integrated highway system.

I invite the Government to issue a new guidance note. I suggest that they refer to the competent manuals on the subject. Let them ensure that there is democratic control and that the expertise of the teams of workers in areas such as Merseyside is maintained. The Minister of State has told us that she has been to west Yorkshire and has spoken to the experts in that area. She commends what they have done. I hope that she has visited Merseyside as well, whose experts are at risk of being thrown to the winds. They are people of substance and the enactment of the Bill could oblige them to seek employment in other areas. If we are to allow Liverpool, Sefton, the Wirral, St. Helens and Knowsley to have the same expertise as has been available in those areas and built up since 1974, the hon. Lady should examine closely the contents of new clause 8. I hope that the Government will adopt the clause, but I appreciate that I am entering into a dialogue with the deaf.

Unless there is a sign in the Government's response to these amendments that their intention is to keep local government local, it is inevitable that we shall be presented with a national network that will involve more bureaucracy from the centre.

Mr. Tracey: It has always seemed to me that roads, especially local roads, involve issues that become personal. Roads and associated considerations arouse strong sentiments when they are discussed by those who live near them. The Government have recognised that by providing that in the main the highway authority should be the local council. I do not dispute the views that have been expressed by my hon. Friends the Members for Elmet (Mr. Batiste) and Richmond and Barnes (Mr. Hanley). I do not dispute the views that we have heard from the hon. Member for Liverpool, West Derby (Mr. Wareing) because I do not know the facts.

However, I am only too well aware of the story of two roads. I live close by the south circular road, which is notorious in London. I have knowledge also of a road that is yet to be born, we hope, which is the Kingston relief

[Mr. Tracey]

road, which is within the royal borough of Kingston upon Thames. This road will have a serious effect on my constituents who are business men in Kingston.

The south circular road has been under the strategic control—I use the term loosely—of the Greater London council. The road is well known as a collection of signposts. It weaves its way across south London. If I had a pound for every time someone has stopped me in one of our suburban highways off the so-called south circular road to ask me whether they were still on it, I should be a very wealthy man. The south circular road is a positive disgrace and I am sure that my hon. Friend the Member for Richmond and Barnes will confirm that. Over the years the GLC has failed completely to maintain a proper highway for those who want to cross south London. As a local resident, I would rather that the road fell under the control of the Department of Transport than under the GLC. I would prefer the local authority in my area, the excellent borough of Wandsworth, to deal with local matters.

7.30 pm

The Kingston relief road is a classic case of how this fag-end Greater London council is behaving in a particularly partisan way. The GLC secured money from the taxpayer for some of the strategic road schemes in London by using various cases. One of the cases involved the Kingston relief road which, as is well known, is required in Kingston upon Thames. The GLC has that money from the taxpayer in its coffers, yet it refuses to hand it over to the council of the royal borough which is to take on the construction management of that road. It has instead, quite deliberately in my opinion, handed over the money to local authorities controlled by the Labour party in various parts of the GLC area.

That is the way that the strategic authority, the GLC, manages affairs, as far as I can see. I think that it will be better for the people of London, for whom I speak in part, if the responsibility rests with their local authority and, thereafter, with the Department of Transport. I support the Government recommendation that we should disagree with the Lords amendment.

Mr. Tony Banks: When the Minister was telling us why the Lords amendment should be opposed, she said that the reason was that it was not consistent with streamlining. I did not feel that she could say that without cracking into a large smile and then a big belly laugh because she cannot believe that the Bill streamlines anything in terms of either transportation or other services.

I ask the Minister to look carefully at the Bill to see how many successor bodies will inherit the powers of the GLC and the metropolitan county councils. I do not have the time to read through them, but they include joint boards, residuary bodies, co-ordinating joint committees and quangos — a total of 62 bodies. Then there are the Government Departments — the Department of the Environment, the Department of Transport, the Office of Arts and Libraries, the Department of Education and Science and the Home Office. That is another five. Then there are approximately 127 other local authorities. The grand total is 195. Has the Minister ever studied how many bodies will inherit from the GLC and the metropolitan county councils?

Mrs. Chalker: I am grateful to the hon. Gentleman, the chairman of the GLC, for giving way. He is speaking specifically about London so I shall confine my remarks to that. Has he considered how many times the requests of a London borough have to be rubber-stamped or gone through again by the GLC? Why does a borough that needs double yellow lines to make a turn-out from a service road safe have to go to the GLC transportation committee? That is the duplication that we are getting rid of. That is the streamlining that we are doing.

Mr. Banks: That is an interesting point. Has the Minister read the Lords amendment? The hon. Lady will see that the amendment that the Government now seek to overturn was careful to devolve traffic responsibilities on borough roads to the individual boroughs. They would become responsible for traffic signing, signals, parking, pedestrian crossings and speed regulation on the roads. That would considerably reduce duplication.

Whatever the Minister thinks about the GLC, she should not be opposing the Lords amendment. It gives her precisely what she just argued for at the Dispatch Box. She has not read the Lords amendment, and does not understand the consequences of the Bill with regard to streamlining. It is nonsense, and the hon. Lady knows it.

Dr. Ian Twinn (Edmonton): I am surprised that the Opposition should be so vehemently opposed to greater powers being transferred to the boroughs. After all, they have been trying to criticise the Government in our long debates on the Bill, saying that not enough power is being given to the boroughs, that we are not devolving enough power, and that what Conservative Members have been arguing, which is that the whole purpose of the Bill is to give local people a say in local matters, is rubbish. Once they have an opportunity to see real powers being given to the boroughs, the Opposition oppose that.

From my point of view in the London borough of Enfield, it makes sense that the borough should be the responsible authority. It is already responsible for all but very few roads in the borough. The Bill will increase efficiency and reduce costs if the borough is responsible for the few remaining roads in the borough——

Mr. Corbyn: Will the hon. Gentleman give way.?

Dr. Twinn: I shall not give way because I think that some of the hon. Gentleman's hon. Friends still wish to speak.

The GLC's behaviour on road matters has been extraordinary. It uses partisan tactics to stop boroughs that want to go ahead with road schemes in the interests of the local citizens from doing so. There is an example in the borough of Enfield, where the Barnet and Enfield lorry ban has been held up by the GLC, so that the local citizens will not benefit from relief from heavy traffic in the area. We have seen the same example in south London where the GLC, despite the advice of its friends in Southwark and Lewisham, has tried to stop the relief road from the Old Kent road being developed.

The local boroughs need to have those powers so that we can develop roads and road policy in London that are to the advantage of local citizens.

Mr. Cowans: My hon. Friend the Member for Newham, North-West (Mr. Banks) hit the nail on the head. It is patently obvious that the Minister of State either has not read the Bill or has not read the Lords amendment.

She said that there was duplication, but the contrary is the case. I have heard her speak on several occasions, and there are only two conclusions that the House can come to tonight—either that she had a poor brief or that she did not believe that brief. I think that it was both—she had a poor brief and she did not believe it.

The hon. Lady did not make a logical or reasoned case against the amendment when, having changed her mind, she said that those who supported the amendment were those who supported integration. She is perfectly correct. She used to be one of our number, but she has changed. May I drag her, kicking and screaming—it is a frank offer—into the real world?

Mrs. Chalker: I am already in the real world.

Mr. Cowans: I think that the hon. Lady has to come into the real world. She will realise that after I have finished.

There was a Bill on local government in 1972. Being adaptable, local government conformed to the Bill. One of its requirements was that local government should integrate. Was it surprising that it did just that? That was the wish of the Government of the day. The unreasonable argument, "It was like that in the past, and the old county boroughs had those functions," is so naive that Opposition Front Bench spokesmen should not have to expose it. It assumes that nothing happened until the county boroughs became county boroughs. However, the contrary is the case. Because the metropolitan county councils and metropolitan districts were set up under the remit of a Conservative Government in the 1972 Act, services were centralised and systems integrated, such as the Tyne and Wear Metro, many bus services, the central control of traffic movements, and specialised teams to co-ordinate their areas of responsibility. It is no surprise that that happened, but it is surprising that the Minister does not believe that it happened.

If the Lords amendment No. 4 is not accepted, local authorities will be required quickly to dismantle everything that was set up under that Conservative Government. Many Conservative Members seem to favour the Bill so long as it does not affect their constituencies, and where it does affect their areas they have asked the appropriate Minister to make concessions and deviate from the Bill. They must also come into the real world, because that cannot be done.

Mr. Corbyn: Does my hon. Friend agree that it is significant that the Minister seeks to rush through the proposal to trunk 65 miles of London's roads without any public inquiry precisely because she has no answers to the type of objections that hon. Members have been raising on constituency grounds because of the obvious implications of trunking, widening those roads and further taking control of transport planning matters from local people in London?

Mr. Cowans: I am grateful to my hon. Friend, and I shall return to that relevant point.

I was talking about specialised teams. They are already starting to break up and, not unnaturally, to look elsewhere. The Minister is on record as saying that the Government recognise the specialised teams and would like to keep them, but they leave it to God and good neighbour and do nothing themselves to ensure that those teams continue to exist.

I now come to the point of my hon. Friend the Member for Islington, North (Mr. Corbyn). Apart from integration, the Government believe that there is a strategic role, and that there should be overall planning and control in large areas. The basic difference between us is that the Opposition believe that there should be local democratic control. The Government have set themselves up in London as a de facto strategic body and, therefore, they obviously believe in overall planning and control. They believe that they should be in control and that the local voice should not be heard.

The strategic body in London for transport will be the Department of Transport, and it will have powers, to which it can add ad nauseam at any time. Even the Government's friends in the other place see through that kind of argument. On the Select Committee—I shall not quote from its report because I have no time—the Government do not even have a friend of their own persuasion. Time and time again professional people, hon. Members and their Lordships have rubbished the Government's arguments.

The Government have tried to hide the arguments by bringing the Bill back to the Floor of the House, and pushing it through at the speed of light. There is no substance behind anything that the Minister has said because integrated systems already exist. If we do not pass the Lords amendment, we shall leave overall control to voluntary co-ordination. I have news for the Minister—there is no such animal.

The Government want to ensure that the specialised teams continue to exist, but that will not happen. In the past where joint organisations have been set up and failed to agree, it has been to the detriment of those whom they serve.

I remind the Minister of the content of her speech. She spent 14 minutes on the amendment in the name of the hon. Member for Richmond and Barnes (Mr. Hanley), seven minutes on amendment No. 4, which dealt with London, and the glorious sum of five minutes on a major alteration——

It being fifteen minutes to Eight o'clock, MR. DEPUTY SPEAKER *proceeded, pursuant to the order this day, to put forthwith the Question already proposed from the Chair.*

Question put, That the amendment be made:—

The House divided: Ayes 198, Noes 304.

Division No. 257] **[7.45 pm**

AYES

Abse, Leo
Alton, David
Anderson, Donald
Ashdown, Paddy
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Rt Hon J.
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Coleman, Donald
Conlan, Bernard
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy

Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Critchley, Julian
Cunliffe, Lawrence
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gould, Bryan
Ground, Patrick
Hamilton, James *(M'well N)*
Hancock, Mr. Michael
Hardy, Peter
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Haynes, Frank
Healey, Rt Hon Denis
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howells, Geraint
Hoyle, Douglas
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
Janner, Hon Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kennedy, Charles
Kilroy-Silk, Robert
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lambie, David
Lamond, James
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsle,)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Edward
McCartney, Hugh
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
McKelvey, William
McNamara, Kevin
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meadowcroft, Michael
Michie, William
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Molyneaux, Rt Hon James
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Ross, Stephen *(Isle of Wight)*
Rowlands, Ted
Ryman, John
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Steel, Rt Hon David
Stott, Roger
Strang, Gavin
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Torney, Tom
Wallace, James
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
Williams, Rt Hon A.
Winnick, David
Woodall, Alec
Wrigglesworth, Ian
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Jeremy Hanley and
Mr. Simon Hughes.

NOES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amery, Rt Hon Julian
Amess, David
Ancram, Michael
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Bennett, Rt Hon Sir Frederic
Benyon, William
Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Bruinvels, Peter
Bryan, Sir Paul
Buck, Sir Antony
Budgen, Nick
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Dover, Den
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Foulkes, George
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hannam, John
Hargreaves, Kenneth
Harris, David
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Hubbard-Miles, Peter
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irving, Charles
Jenkin, Rt Hon Patrick
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Knowles, Michael
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*

Lennox-Boyd, Hon Mark
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lloyd, Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
Madel, David
Major, John
Malins, Humfrey
Maples, John
Marland, Paul
Marshall, Michael *(Arundel)*
Mates, Michael
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Merchant, Piers
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Mitchell, David *(NW Hants)*
Moate, Roger
Montgomery, Sir Fergus
Moore, John
Morris, M. *(N'hampton, S)*
Moynihan, Hon C
Mudd, David
Murphy, Christopher
Neale, Gerrard
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Parris, Matthew
Patten, J. *(Oxf W & Abdgn)*
Pattie, Geoffrey
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Portillo, Michael
Powell, Rt Hon J. E. *(S Down)*
Powell, William *(Corby)*
Powley, John
Price, Sir David
Proctor, K. Harvey
Pym, Rt Hon Francis
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Malcolm
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sainsbury, Hon Timothy
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speller, Tony
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Walden, George
Walker, Bill *(T'side N)*
Wall, Sir Patrick
Waller, Gary
Walters, Dennis
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Wiggin, Jerry
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Carol Mather and
Mr. Tristan Garel-Jones.

Question accordingly negatived.

MR. DEPUTY SPEAKER *then proceeded to put the Questions necessary for the disposal of the business to be concluded at that hour.*

Motion made, and Question put, That this House doth disagree with the Lords in the said amendment—*[Mrs. Chalker.]*

The House divided: Ayes 285, Noes 200.

Division No. 258] **[8 pm**

AYES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Ancram, Michael
Ashby, David
Aspinwall, Jack
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Bennett, Rt Hon Sir Frederic
Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blaker, Rt Hon Sir Peter
Body, Richard
Bonsor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buck, Sir Antony
Budgen, Nick
Burt, Alistair
Butcher, John
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Dover, Den
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Glyn, Dr Alan
Goodlad, Alastair
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hannam, John
Hargreaves, Kenneth
Harris, David
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hickmet, Richard
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Hubbard-Miles, Peter
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew

Hurd, Rt Hon Douglas
Irving, Charles
Jenkin, Rt Hon Patrick
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Knowles, Michael
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Madel, David
Major, John
Malins, Humfrey
Maples, John
Marland, Paul
Marshall, Michael *(Arundel)*
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Merchant, Piers
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Mitchell, David *(NW Hants)*
Moate, Roger
Montgomery, Sir Fergus
Moore, John
Morris, M. *(N'hampton, S)*
Mudd, David
Murphy, Christopher
Neale, Gerrard
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parris, Matthew
Patten, J. *(Oxf W & Abdgn)*
Pattie, Geoffrey
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Portillo, Michael
Powell, Rt Hon J. E. *(S Down)*
Powell, William *(Corby)*
Powley, John
Price, Sir David
Proctor, K. Harvey
Raffan, Keith
Raison, Rt Hon Timothy
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Malcolm
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sainsbury, Hon Timothy
Shaw, Giles *(Pudsey)*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speller, Tony
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Tapsell, Sir Peter
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Walden, George
Walker, Bill *(T'side N)*
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Sir John *(Maidstone)*
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Carol Mather and
Mr. Robert Boscawen.

NOES

Abse, Leo
Alton, David
Anderson, Donald
Ashdown, Paddy
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Benyon, William
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Coleman, Donald
Conlan, Bernard
Cook, Frank *(Stockton North)*
Corbyn, Jeremy
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Cunliffe, Lawrence
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Goodhart, Sir Philip
Gould, Bryan
Ground, Patrick
Hamilton, James *(M'well N)*
Hancock, Mr. Michael
Hardy, Peter
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Healey, Rt Hon Denis
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howells, Geraint
Hoyle, Douglas
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kennedy, Charles
Kilroy-Silk, Robert
Kinnock, Rt Hon Neil
Kirkwood, Archy
Knox, David
Lambie, David
Lamond, James
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Edward
McCartney, Hugh
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
McKelvey, William
McNamara, Kevin
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meadowcroft, Michael
Michie, William
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C.
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*

Richardson, Ms Jo	Stott, Roger
Roberts, Allan *(Bootle)*	Strang, Gavin
Robertson, George	Straw, Jack
Robinson, G. *(Coventry NW)*	Thomas, Dafydd *(Merioneth)*
Rogers, Allan	Thompson, J. *(Wansbeck)*
Rooker, J. W.	Thorne, Stan *(Preston)*
Ross, Stephen *(Isle of Wight)*	Tinn, James
Rowlands, Ted	Torney, Tom
Ryman, John	Wallace, James
Sedgemore, Brian	Wardell, Gareth *(Gower)*
Sheerman, Barry	Wareing, Robert
Sheldon, Rt Hon R.	Weetch, Ken
Shore, Rt Hon Peter	White, James
Short, Ms Clare *(Ladywood)*	Williams, Rt Hon A.
Short, Mrs R.*(W'hampt'n NE)*	Winnick, David
Silkin, Rt Hon J.	Woodall, Alec
Skinner, Dennis	Wrigglesworth, Ian
Smith, C.*(Isl'ton S & F'bury)*	Young, David *(Bolton SE)*
Smith, Rt Hon J. *(M'kl'ds E)*	
Snape, Peter	Tellers for the Noes:
Soley, Clive	Mr. Frank Haynes and
Steel, Rt Hon David	Mr. Robin Corbett.

Question accordingly agreed to.
Lords amendment No. 4 disagreed to.
Lords amendments Nos. 5 to 8 disagreed to.
Lords amendment: No. 9, leave out clause 8.

The Minister for Local Government (Mr. Kenneth Baker): I beg to move, That this House doth disagree with the Lords in the said amendment.

Mr. Deputy Speaker: With this we may take the following:

Lords amendment No. 10, on page 4, line 35, leave out subsection (1) and insert—

"( ) On the appointed day there shall be established in Greater London and each metropolitan county a body corporate to be known by the name of the London Waste Disposal Authority or by the name of the county with the addition of the words "Waste Disposal Authority", as the case may be.

( ) Each authority shall consist of members of the constituenct councils appointed by them to be members of the Authority.

( ) The constituent councils in relation to the London Waste Disposal Authority shall be the London borough councils and the Common Council.

( ) The constituent councils in relation to a metropolitan waste disposal authority shall be the councils for the metropolitan districts comprised in the county.

( ) Each authority shall be a joint authority within the meaning of Part IV of this Act and the provisions of that Part shall apply to this section as if this section were included in that Part.

( ) The functions specified in subsection (2) below shall be discharged by the authority in respect of the area for which it is established."

Amendments thereto: *(a)* in page 4, line 37, leave out 'authorities' and insert 'councils'.

(b) in page 4, line 42, after 'purpose', insert 'before 15th November 1985'.

(c) in page 5, line 3, leave out 'that' and insert 'the Abolition'.

(d) in page 5, line 4, leave out

'may, after consulting the authorities concerned'

and insert 'shall'.

(e) in page 5, line 8, at end insert—

'(1A) For the purposes of subsection (1) above the Secretary of State shall have particular regard to the need for satisfactory arrangements in respect of hazardous waste.

(1B) No person shall be a member of an authority established by an order under subsection (1) above unless he is a member of one of the councils for whose areas the authority is established; and any such order may make provision for enabling the Secretary of State to require the authority established by the order to submit to him a scheme for the winding-up of the authority and the transfer to those councils of its functions, property, staff, rights and liabilities.'.

Lords amendment No. 11, in page 5, line 13, leave out subsections (3) to (5).

Lords amendment No. 73, leave out Schedule 6.

Mr. Baker: When the Bill left this House it provided for the responsibility of the GLC and the MCC for waste disposal and regulation to be devolved to borough and district councils. It also provided a reserve power so that if my right hon. Friend the Secretary of State for the Environment was not satisfied that the boroughs and districts had agreed on adequate voluntary joint arrangements for the discharge of those functions he could impose statutory authorities for some or all of those functions in all or part of any metropolitan area. As amended in the other place, the Bill now provides for waste regulation and disposal functions to be transferred to a single joint authority in each area, without any opportunity for the boroughs and districts to put forward proposals themselves to assume those functions on abolition.

The other place was concerned in particular that there should be certainty about future arrangements for waste disposal, and especially for the disposal of hazardous waste. These concerns are shared by hon. Members in all parts of this House. The Government have always recognised the need for adequate arrangements for waste disposal after abolition. With regard to hazardous waste, the guidance note issued to authorities by the Department on 28 March made it clear that we wished to see the creation of a separate unit in each metropolitan area to co-ordinate these and other non-operational functions. These units could house the specialist staff and facilities which are necessary for these functions and about which there was particular concern in another place.

We do not accept that joint authorities need to be the only or necessarily the best means of achieving adequate arrangements and it is right that the Government should take account of the strong concerns expressed both in this House and in another place.

I believe that the boroughs and districts are in the first instance best placed to judge the most appropriate arrangements for their areas. The Conservative boroughs to which I have spoken take that view. I have also spoken in an unofficial capacity to several of the Labour-controlled districts outside London and they tell me that they take the same view. I appreciate that the Labour-controlled districts have some difficulty in expressing their full opinions on this issue. We propose, therefore, that waste regulation and disposal functions should be devolved to the boroughs and districts. If, however, my right hon. Friend is satisfied that joint arrangements could, with advantage, be made for the discharge of some or all of those functions in the whole or part of any metropolitan area, and adequate joint arrangements have not been made by 15 November 1985, he will have a duty—I stress that it will be a duty—by order to establish a statutory authority to discharge those functions.

Mr. Straw: Why have the Government retreated from the September deadline in the earlier draft stressed in another place as being the time limit for the Secretary of State to be satisfied?

Mr. Baker: In the continuing discussions there is considerable co-operation between many of the Conservative boroughs and the Liberal boroughs in London and in Conservative boroughs in the districts, but

[Mr. Baker]

the Labour boroughs in London have not joined in any discussions and in the metropolitan counties the Labour districts have not formally engaged in discussions. We have every reason to believe that they have well developed plans, particularly in the constituency of the hon. Member for Blackburn (Mr. Straw). In many areas outside London it is clear that some subterranean planning has been carried out. I understand that the Labour leaders of the district councils have been unable to come out officially because it is still their policy not to co-operate before Royal Assent. The Government therefore thought it appropriate to extend the deadline to 15 November as the latest date by which the Secretary of State will have to exercise his duty.

Mr. Laurie Pavitt (Brent, South): As the right hon. Gentleman formerly represented a constituency next to mine, he knows the problems of north-west London. How does he envisage the 32 London boroughs being able in any way to come to separate arrangements without massive joint arrangements, especially north and south of the Thames? There will have to be at least two, or even four, separate organisations. If it is intended to wait for some agreement between the different political complexions, how can the practical problems be solved by November?

Mr. Baker: The hon. Gentleman represents an area which is part of the "West Waste" group of boroughs, and plans for dealing with the disposal of waste in that area are far advanced. He will appreciate that the powers that my right hon. Friend will have under the Bill as amended will allow the imposition in parts of London of a joint arrangement if such an arrangement is not arrived at voluntarily. I suspect that in that area an arrangement will be arrived at voluntarily.

8.15 pm

The five southern boroughs — Bromley, Croydon, Sutton, Merton and Kingston upon Thames—have had extensive discussions among themselves as to how they will co-operate, and I believe that they will be able to come to a voluntary arrangement. A great deal of disposal is carried out on a geographical basis. The refuse that arises from the western parts of London will be disposed of out towards the west, that from the south to the south, and so on around London. The hon. Gentleman should not underestimate the interests of the boroughs themselves to co-operate voluntarily to provide this service.

Mr. Robin Squire (Hornchurch): Taking London as an example, my right hon. Friend said that he could envisage circumstances in which if there was not co-operation in certain boroughs a joint authority would be set up under the instruction of the Secretary of State to look after the remainder of the boroughs which have not co-operated. Can my right hon. Friend hazard a guess whether if arrangements made by some boroughs collectively, including the letting of contracts, and so on, do not appear "satisfactory", the Secretary of State will have powers to overrule those contracts?

Mr. Baker: The Secretary of State will have powers which he has a duty to exercise by 15 November and which will allow him to set up a joint authority for the whole of a particular conurbation or for parts of it. In the southern part, the northern part, or wherever it may be, the various district councils may have come together to work in a positive way. One of the factors which my right hon. Friend will have to consider is the way in which existing contracts are honoured. The contracts may be with the private sector or with the surrounding county councils.

In making his decision the Secretary of State will be required to have particular regard to satisfactory arrangements for hazardous waste. The Secretary of State will also retain the discretionary power to establish a statutory authority if initially satisfactory voluntary joint arrangements subsequently break down. To ensure, however, that there remains a real prospect of the devolution of functions even if statutory authorities are established under these arrangements, the authorities would be required within a reasonable time, probably 12 months, of their establishment to submit proposals to my right hon. Friend for their functions to be devolved to their constituent councils.

It may help the House if I explain in some detail the types of voluntary arrangements which my right hon. Friend would be prepared to consider and the steps which would precede his decision on whether to establish a statutory authority in any metropolitan area. The guidance note issued in March set out the types of arrangement which it seems to us would be sensible in each metropolitan area. As I have already made clear, we envisage special arrangements for hazardous waste. Those arrangements will generally need to be countywide, unless it can be clearly demonstrated that they would be satisfactory on some other basis. With regard to operational functions, some districts can probably operate in isolation, and they may well be Labour districts, but in other areas it will make sense for the districts to group together. It may even make sense in at least one county for all the districts to come together in an operational group. Where boroughs and districts produce proposals for groupings they can be either non-statutory or be enshrined in an order made under the reserve power. I emphasise again that we want to see arrangements made which are appropriate to each area, but we have to be assured that they are satisfactory arrangements.

We shall invite those boroughs and districts which have not already done so to submit to us, by 30 September, their detailed proposals for voluntary joint arrangements, in particular for hazardous waste. As soon as possible, and ideally within 10 days of that deadline, we shall — following discussion with those authorities as necessary — let them have our reactions to their proposals. We shall then invite them, as soon as possible, to work up those proposals, modified as necessary in the light of our comments, into the draft terms of a mutually binding agreement between them. If the terms of those draft agreements seem to us satisfactory, we shall then ask the boroughs and districts to submit signed agreements by early November. My right hon. Friend will then be able, in the light of those signed agreements, to reach his final decision by the statutory deadline of 15 November on whether the arrangements embodied in those agreements are, in his judgment, satisfactory. If he judges them to be satisfactory, he need do nothing.

Mr. Walter Harrison (Wakefield): Does the Minister identify excess water as hazardous waste? Does he intend to refer to excess water?

Mr. Baker: Excess water may have an effect upon hazardous waste if there is seepage. It is probably more directly connected with that part of the Bill concerned with drainage.

Mr. Harrison: Surely it is a matter that comes under the items which the Minister has mentioned.

Mr. Baker: If the right hon. Gentleman wishes to raise a particular point, I shall, of course, deal with it.

This is my first opportunity to tell the right hon. Gentleman how sorry I was to hear that he intends to resign at the next election.

Mr. Harrison: The Minister must not say that. I do not intend to resign. I do not intend to seek re-election. There is a difference between resignation and retirement. One is the more elegant way of expressing oneself.

Mr. Baker: I do not want to intrude into the niceties of what is happening in the Labour party. I was lucky to serve under the right hon. Gentleman, when he was a Whip, on my first Committee in 1968 on the Finance Bill. There was a historic moment when he was half inside and half outside the door for a Division, and I understand that it is so recorded in *Hansard*.

I return now to the question of waste disposal. The functions will be devolved to the borough and district councils to be performed in accordance with those agreements on abolition day. If, on the other hand, my right hon. Friend judges those arrangements not to be satisfactory, he will be under a duty to establish statutory authorities to discharge those functions. We shall issue detailed advice to the boroughs and districts on the steps in that process, and on the criteria against which my right hon. Friend would judge the adequacy of their proposals for joint arrangements, immediately after Royal Assent.

I believe that the amendments we have now tabled represent a considerable strengthening of the reserve power. I am confident that, by placing my right hon. Friend under a duty to establish statutory authorities if he is not satisfied by 15 November 1985 that the voluntary arrangements are adequate, they provide the guarantee of satisfactory arrangements on abolition which, legitimately, both Houses have sought. At the same time, we have retained the flexibility to enable us to take account of the wishes of the boroughs and districts. The requirement for my right hon. Friend to have particular regard to the need for satisfactory arrangements for hazardous waste will secure the future of those vital functions. I believe that the provisions will ensure that satisfactory arrangements for waste disposal are in being on the appointed day.

The House of Lords, quite rightly, debated hazardous waste at some length. We are at one with Lord Cranbrook on the importance of maintaining existing centres of expertise and scientific advice, especially for hazardous waste. We are most grateful to him and to a Select Committee of another place, which he chaired, for their valuable advice on these aspects. We also recognise and appreciate the contribution of Lord Gregson both in the 1981 report with which he was associated and his subsequent actions. However, we consider that their concerns are fully met by our proposals.

I wish to deal with two points of some concern. The first is the concern of the home counties about the waste arrangements for London. I am, of course, well aware of the views of the home counties, and in particular their common concern to see close co-ordination of the boroughs' arrangements for the disposal of London's waste. I have met representatives of the home counties on two occasions during the past eight months, and the proposals which we are now making in respect of waste regulation and disposal are intended to try to meet those concerns. Clause 9, as now proposed, would provide the certainty of stable voluntary arrangements, underpinned by binding contractual commitments, which were sought by the home counties. I have offered to meet the home counties' representatives again later in the summer when a more detailed picture of the arrangements proposed by the boroughs will be available.

I wish now to deal with the point raised by my hon. Friend the Member for Hornchurch (Mr. Squire) about guarantees for the private sector companies which have waste disposal contracts with the GLC and the metropolitan county councils. It will, of course, be important to ensure that the major contractors which actually dispose of most of the waste in London and the metropolitian counties do not suffer as a result of abolition.

I am conscious of the importance of the role played by those contractors, and the heavy investment involved. We have made it clear to successor authorities that any large-scale abandonment of existing contracts would be unacceptable, and I am glad to have the opportunity this evening to reassure the House that this remains the Government's position.

In asking the House to disagree with the Lords in the said amendment, and to agree with the amendment that we are proposing, I believe that that will provide adequate and appropriate arrangements for waste disposal in both London and the metropolitan counties. I ask the House to remember that we have had representations, both officially and unofficially, from many of the London boroughs and district councils saying that they can co-operate voluntarily, one with the other, or in groups of three or four. The functions of disposal of waste can be properly devolved and delegated.

I wish to emphasise again that it is important that hazardous waste is dealt with on a wide basis.

8.30 pm

Mr. Straw: I shall be as brief as possible as we now have only 18 minutes before the guillotine falls.

The Minister is a master in the art of soft soap. His praise for the noble Lord Cranbrook would be rather more credible had he accepted — and accepted in full — the advice of the Select Committee that the noble Lord chairs. Speaking on behalf of the Select Committee, the noble Lord pointed out that it was evident, and had always been evident, from the Government's reserve proposals that they lacked confidence in the system of devolution. They believed that it would take two months to take a step that we believe should have been taken now. The nettle should have been grasped and it should have been acknowledged that waste disposal, as opposed to waste collection, could not possibly be handled on a borough-by-borough basis.

The Minister accepted that in his speech today. He said that he thought that in one county — he did not say which, but he may intervene to tell us—all the districts could make up one group. That is a countywide function. He suggested that in other counties and the GLC there might be a number of groups. It is extremely unlikely,

[Mr. Straw]

even with his political desire to devolve waste disposal, that there will be more than a handful of boroughs that will handle disposal themselves. The Government should have recognised that the counties and the GLC have a great success story. No one has criticised them in their efforts to improve and co-ordinate waste disposal since they were established 10 years ago.

It is quite unacceptable political vandalism to embark on proposals such as these and then bit by bit, and extremely reluctantly, to back off. The Government only back off when they have lost the vote, not the arguments. If my hon. Friend the Member for Newham, North-West (Mr. Banks) had intervened, he would have pointed out that we put forward amendments in terms similar to those put forward in the other place in respect of hazardous waste. They were brushed aside in Committee and in this place because of the Government's majority.

The Minister presents his change as a concession to the Lords amendments. I am unconvinced. It is true that, in place of a general reserve power, the Secretary of State now has to be satisfied about the district-wide arrangements or to trigger the countywide proposals. That is on the plus side. But, on the minus side, he has moved the deadline by some six weeks. If Labour-controlled authorities were co-operating as the Minister suggests—I do not claim much for myself but I do claim to be more in touch with Labour leaders than he is—that would be an argument for advancing the deadline from September, not for extending the deadline to November.

By November, four months after Royal Assent, if Royal Assent is received this side of summer, what will happen to the staff who run those county authorities? Faced with such uncertainty, many of the best staff in those units will seek other employment. That is the nature of the world. If the Minister leaves it until 15 November to attempt to establish joint arrangements or to satisfy himself that the district-wide arrangements are satisfactory he will find that the good staff are not available. I very much doubt that the Minister has taken account of that.

Waste disposal has always been the subject of music hall jokes, but the truth is that it is an efficient and effective system of collection and disposal and is one of the buttresses to civilisation. Without effective waste collection and disposal we would have no public health, and no decent cities and towns in which to live.

We believe that these arrangements are ill thought out. They will cause administrative chaos and may well cause disruption in the disposal of waste. The other place had it right when it proposed that there should be countywide arrangements, and we shall support those arrangements tonight.

Mr. Cartwright: This is another area in which all the expert opinion is against what the Government are proposing. The hon. Member for Blackburn (Mr. Straw) quoted the report of the Select Committee of the other place. In June of this year the Department of the Environment's hazardous waste inspectorate reported on the matter of hazardous waste in the United Kingdom. The report concluded that only the GLC and the West Midlands county council were dealing successfully with the problem, largely because of their size and their expertise. These officials, the Government's own officials, said:

"The HWI would view with alarm any prospects of these experienced hazardous waste management teams being disbanded upon abolition of the GLC . . . The HWI attaches great importance to the retention of these experienced waste management teams and considers that any other action would result in chaos in hazardous waste management."

That is the expert view of the people who were doing the job.

The Government's amendment does not inspire a great deal of confidence. It gives the Secretary of State authority to require the winding up of any of the new bodies which may be created. That hardly gives us great faith that they will last long. It certainly leads to the view that the Government are hankering after giving these powers to borough and district councils.

The date of 15 November 1985 is only the most recent of a long line of final dates from the Government on this issue. We were originally told that everything would be ready by July 1984. It was then December 1984. In Committee, the Minister told us that he was prepared to stay his hand until the end of February 1985. On Report, he told us that everything would have to be settled by September 1985. That date was given again in another place. We now have a further slippage to 15 November 1985.

Mr. Kenneth Baker: If the hon. Gentleman had heard what I said earlier, he would appreciate that I invited proposals until September. I have said that there must be contractually binding agreements by 15 November. At that stage obligations with the home counties or private contractors will have to be explained. Extra is being required.

Mr. Cartwright: The Minister is a past master when it comes to command of English prose but, on Report, he said that he would have to have settled on a future set of arrangements by the beginning of September 1985. That does not seem to be the receipt of proposals, but something much firmer than the Minister is now suggesting.

There must be some doubt whether 15 November 1985 allows enough time for a statutory joint authority to be created. As the hon. Member for Blackburn said, it will have to consider key staff, sort out budgets and prepare for the imposition of a precept. Are we to believe that all that can be done in four months? Those of us who have some experience of these problems have reason to doubt it.

We are being offered a choice not between a voluntary and a statutory system, but between a single strategic authority with the benefits of technical expertise, economies of scale and efficiency that that offers and a hotch-potch of groups of boroughs with some voluntary and some imposed functions. Faced with such a choice, the only intelligent and reasonable thing to do is to support the Lords amendment.

Mr. Harrison: I should like to express my appreciation to the Minister for wishing me all the best for the future.

I have trotted around the Chamber for quite a while and I have often thought that hon. Members were considered to be out of order for no reason that I could discern. As a Back Bencher, I find that whatever subject I raise, I am out of order. I therefore consulted my Front Bench to see if I would be in order talking about water and drainage. They said, "Oh, no. The debate is on waste disposal and the rest." The Minister gave way to me and allowed me to talk about water. When I thought of hazardous waste, I thought of what comes up the toilet instead of going down, which is what happens when there is flooding. Does

that get in order, Mr. Deputy Speaker? I have been in Wakefield for some time. I consider the matter to be in order and would like to enlarge.

Mr. Tony Banks: Do not forget that there is a guillotine.

Mr. Harrison: I do not know how long I have.

Mr. Straw: Three minutes.

Mr. Harrison: Thanks very much. I am anxious to cover matters that will not be debated again—flooding and drainage. Wakefield is flooded almost yearly. I have pleaded with the Lords and at least 12 Ministers and asked many questions about flooding but I am not getting much nearer a solution, as the matter is dealt with voluntarily. Even the Ministry of Agriculture, Fisheries and Food's Green Paper said that the Government are considering two possible options. What will happen when the Government get rid of the metropolitan councils? A previous Tory Administration delegated authority but forgot to include provision for land drainage. In the 1974 local government reorganisation, the Tories denuded my county, metropolitan district councils and my local water authority of power. They are having to go around with a begging bowl. The begging bowl gets 33 per cent. for a feasibility study from the Wakefield metropolitan area; 25 per cent. from the county; 10 per cent. from the quango Yorkshire water authority; and 32 per cent, from MAFF. If it had been two years later there would have been no percentage agreement, because in 12 months MAFF has dropped from 45 to 32 per cent. Which designated authority will deal with land drainage and flooding problems that will exist in my constituency if something is not done?

There may be people listening to me with whom I have pleaded in another place. They will not give me a copy of the feasibility study report which I could give to Wakefield metropolitan council. I have been refused a copy and I would be helped in my endeavours to try to solve the problems of flooding in Wakefield if I had a copy. Will the Minister look into this matter so that on this occasion the Government do not compound the mistake they made in 1974 on the reorganisation of local government?

Mr. Tracey: I have had a strong feeling from the beginning of discussion on this Bill that Opposition Members do not have their hearts in this amendment. That has been confirmed by what my right hon. Friend told the House, that behind the scenes, as so often happens, Labour authorities are keen and willing to take on these arrangements because they can see very distinct benefits. In the view of the hon. Member for Blackburn (Mr. Straw), my right hon. Friend is a master of soft soap. Of course, the hon. Member for Blackburn is well known as a dramatic and very often melodramatic speaker. I do not object to that, it is often very entertaining, but it does not necessarily add up to much.

We had a further example of that tonight when he sought, and he has just sought again through a sedentary intervention, to say that Labour authorities are very happy with the amendments they are putting forward and they are not at all happy with the Government's proposals. That remains to be seen, but so far I have not been able to put my finger on much evidence from the Opposition Benches that they are serious about the amendments. The hon. Member for Woolwich (Mr. Cartwright) gave us a detective story of dates in seeking to prove that the Government were up to foul deeds behind the scenes on exactly when these arrangements were to be made. The point seems very clear. The people of this country, of London and the metropolitan counties, are concerned that their dustbins are emptied efficiently and that the waste is carted off to whatever multiple resource is there to burn it, dump it or bury it. The arrangements for London, for which I speak with a certain amount of authority I hope, amount to the Greater London council entering into contracts with certain large enterprises to dispose of the waste well outside the boundaries of the capital. It seems ridiculous that we should need a joint board simply to finalise a contract to do such a thing.

Mr. Nellist *rose*——

Mr. Tracey: I am very short of time so perhaps the hon. Gentleman will allow me to continue. The local authorities could just as well finalise that contract on their own joint arrangement as can this joint board. There is great scope for the local authorities to be able to finalise contracts for greater cost-effectiveness, just as happened with Southend's local council and in various boroughs in London, including the notable example of Wandsworth, so often a forerunner in these matters. Surely that is what we are seeking here. The Government are very wise to seek to disagree with the Lords amendment, and I fully support what my right hon. Friend has said.

Mr. Pavitt: The House knows my concern with public health and hazardous waste. We have a system which is working and fully monitored and it is irresponsible suddenly to cut that up and destroy it. I accuse the Government of playing with the health of the people in all the county boroughs concerned.

Amendment (b) negatived

Lords amendment No. 9 disagreed to.

Clause 9

JOINT ARRANGEMENTS FOR WASTE DISPOSAL FUNCTIONS

Lords amendment: No. 10, in page 4, line 35, leave out subsection (1) and insert—

"( ) On the appointed day there shall be established in Greater London and each metropolitan county a body corporate to be known by the name of the London Waste Disposal Authority or by the name of the county with the addition of the words "Waste Disposal Authority", as the case may be.

( ) Each authority shall consist of members of the constituent councils appointed by them to be members of the Authority.

( ) The constituent councils in relation to the London Waste Disposal Authority shall be the London borough councils and the Common Council.

( ) The constituent councils in relation to a metropolitan waste disposal authority shall be the councils for the metropolitan districts comprised in the county.

( ) Each authority shall be a joint authority within the meaning of Part IV of this Act and the provisions of that Part shall apply to this section as if this section were included in that Part.

( ) The functions specified in subsection (2) below shall be discharged by the authority in respect of the area for which it is established."

Question put, That this House doth disagree with the Lords in the said amendment:—

The House divided: Ayes 301, Noes 194.

Division No. 259] **[8.45 pm**

AYES

Aitken, Jonathan	Ancram, Michael
Alexander, Richard	Ashby, David
Alison, Rt Hon Michael	Aspinwall, Jack
Amess, David	Atkins, Robert *(South Ribble)*

Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Bennett, Rt Hon Sir Frederic
Benyon, William
Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blaker, Rt Hon Sir Peter
Body, Richard
Bonsor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buck, Sir Antony
Budgen, Nick
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Glyn, Dr Alan
Goodlad, Alastair
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hannam, John
Hargreaves, Kenneth
Harris, David
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hickmet, Richard
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irving, Charles
Jenkin, Rt Hon Patrick
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Roger *(B'ham N'field)*
Knight, Greg *(Derby N)*
Knowles, Michael
Lamont, Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lightbown, David
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McQuarrie, Albert
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marshall, Michael *(Arundel)*
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Mitchell, David *(NW Hants)*
Moate, Roger
Montgomery, Sir Fergus
Moore, John
Morris, M. *(N'hampton, S)*
Moynihan, Hon C.
Mudd, David
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parris, Matthew
Patten, J. *(Oxf W & Abdgn)*
Pattie, Geoffrey
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Portillo, Michael
Powell, Rt Hon J. E. *(S Down)*
Powell, William *(Corby)*
Powley, John
Price, Sir David
Proctor, K. Harvey
Pym, Rt Hon Francis
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Malcolm
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Soames, Hon Nicholas
Speller, Tony
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Tebbit, Rt Hon Norman
Thatcher, Rt Hon Mrs M.
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Walden, George
Walker, Bill *(T'side N)*
Wall, Sir Patrick
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Sir John *(Maidstone)*
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Carol Mather and
Mr. Robert Boscawen.

NOES

Abse, Leo
Alton, David
Anderson, Donald
Ashdown, Paddy
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty

Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Rt Hon J.
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Coleman, Donald
Conlan, Bernard
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gould, Bryan
Ground, Patrick
Hamilton, James *(M'well N)*
Hancock, Mr. Michael
Hardy, Peter
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Haynes, Frank
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howells, Geraint
Hoyle, Douglas
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
Janner, Hon Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilroy-Silk, Robert
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lambie, David
Lamond, James
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Edward
McCartney, Hugh
McDonald, Dr Oonagh
McKelvey, William
McNamara, Kevin
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meadowcroft, Michael
Michie, William
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Rogers, Allan
Rooker, J. W.
Ross, Stephen *(Isle of Wight)*
Rowlands, Ted
Ryman, John
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Stott, Roger
Strang, Gavin
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Torney, Tom
Wainwright, R.
Wallace, James
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
White, James
Williams, Rt Hon A.
Winnick, David
Woodall, Alec
Wrigglesworth, Ian
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. Lawrence Cunliffe and
Mr. Allen McKay.

Question accordingly agreed to.

Amendments made in lieu of Lords amendment No. 10:

(a) in page 4, line 37, leave out 'authorities' and insert 'councils'.

(b) in page 4, line 42, after 'purpose', insert 'before 15th November 1985'.

(c) in page 5, line 3, leave out 'that' and insert 'the abolition'.

(d) in page 5, line 4, leave out
'may, after consulting the authorities concerned'
and insert 'shall'.

(e) in page 5, line 8, at end insert—

'(1A) For the purposes of subsection (1) above the Secretary of State shall have particular regard to the need for satisfactory arrangements in respect of hazardous waste.

(1B) No person shall be a member of an authority established by an order under subsection (1) above unless he is a member of one of the councils for whose areas the authority is established; and any such order may make provision for enabling the Secretary of State to require the authority established by the order to submit to him a scheme for the winding-up of the authority and the transfer to those councils of its functions, property, staff, rights and liabilities.'.—*[Mr. Kenneth Baker.]*

Lords amendment No 11 disagreed to.

Clause 10

LAND DRAINAGE AND FLOOD PREVENTION FUNCTIONS

Lords amendment No. 12 agreed to.

Clause 20

CONSULTATION WITH INNER LONDON BOROUGHS AND THE CITY

Lords amendment No. 13: In page 15, line 9, leave out "or as the Secretary of State maydirect"

The Parliamentary Under-Secretary of State for Education and Science (Mr. Bob Dunn): I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Deputy Speaker: With this may we take the following Lords amendments: No. 14, in page 15, line 18, leave out subsections (1) and (2) and insert—

"(1) The Secretary of State may before 31 March 1991 review the exercise by the Authority of its functions relating to education."

No. 15, in page 15, line 32, leave out from "section" to "and" in line 34.

No. 16, in page 15, line 34, leave out "the first".

Amendment (a) thereto in lieu of the said Lords amendment, in page 15, line 34, leave out 'first such'.

No. 17, in page 15, line 36, leave out subsection (4).

No. 18, in page 15, line 43, leave out subsections (5) and (6).

Amendments thereto:

(a) in page 72, line 11, leave out '21'.

(b) in page 72, line 16, leave out '21 or'.

Mr. Nellist: On a point of order, Mr. Deputy Speaker. We have just debated amendments about waste disposal. West Midlands county council handles 40 per cent. of this country's hazardous waste. It should be put on the record that an hon. Member who represents the area, who is a county coucillor for the area and who has served on a waste disposal committee was the one hon. Member not called in the debate.

9 pm.

Mr. Dunn: Amendment No. 13 deletes from clause 20 the power for my right hon. Friend to direct the new ILEA to provide specified information to the inner London boroughs or the City for the purposes of the consultation required by this clause between the new authority and those councils. As my noble Friend, Lord Gowrie, made clear in introducing this amendment in another place, the power for my right hon. Friend to direct the new ILEA to provide specified information is of a different kind from his other powers under the clause. If the new ILEA does not comply with a reasonable request for information, the councils will be able to seek effective remedy through the court. The involvement of my right hon. Friend is therefore on reflection unnecessary.

The amendments to clause 21 delete the requirement for my right hon. Friend to undertake an initial review of the new ILEA by 31 March 1991 and his discretionary power to undertake subsequent reviews. They also delete the provision for any reallocation of the new ILEA's functions to be achieved by order. The amendments substitute a discretionary power to undertake a review by 31 March 1991 but make no provision for the implementation of any changes in the light of that review. Such changes would therefore require fresh primary legislation.

The strongest objection to clause 21, both in this House and in another place, has been to the proposal that there should be a power for my right hon. Friend to reallocate the new ILEA's functions by order. We have listened carefully to the arguments, put very strongly in another place, that, if the new administrative structure which we are establishing for education in inner London needs adjustment in the light of experience, then that adjustment should be made by primary legislation. We have been convinced by those arguments.

I am not, therefore, asking the House to disagree with the amendments made in another place. On two points, however, further amendments are necessary to give them full effect. First, amendment No. 16 retains a reference in the clause to "such report". There is now only provision for one report. We propose that the clause should refer to "the report" and this is achieved by our substitute amendment. Secondly, although amendment No. 18 deletes my right hon. Friend's order-making power, reference to that power remains in clause 100. Our consequential amendments delete those references.

I must make clear that our acceptance of these amendments does not mean that we are any less concerned by the policies of ILEA which result in its spending between 29 per cent. and 59 per cent. more per school pupil than the inner city partnership authorities outside London, which have similar problems, spend without achieving results that are proportionately better. We remain no less determined to improve ILEA's cost effectiveness. We are confident that the new elected ILEA offers the best prospect for improving standards and cost effectiveness and we shall look to the members elected next May to vindicate our expectation. But, if experience shows that further structural change is required, the need to secure primary legislation will not deter us from taking the necessary steps.

Mr. Andrew F. Bennett (Denton and Reddish): We on the Opposition Benches welcome the Minister's conversion, although I am not absolutely certain whether it is genuine. He spoiled his speech by his attack on ILEA. He would have shown more grace had he accepted all the arguments for ILEA. As the Chairman of the Joint Committee on Statutory Instruments, I welcome the Government's backing off from the idea that something as important and as substantial as ILEA can be abolished as the result of a statutory instrument after 90 minutes' debate.

The cynic in me wonders why the Government left such a provision in the Bill in the first place, and comes to the conclusion that they did so that it could be left out at this point as a token concession to the other place. It is noticeable that this is one of the few concessions that the Government have made, and it does not have much substance.

The real concession was made at the start when the Government agreed to abandon their idea to abolish ILEA. From that point, the Government wanted a face-saving device, having led some of the London boroughs to believe that they might take on education powers. The Government wanted to put something in the Bill instead, so that the idea of a review and a possible later devolving of powers remained. I hope that the Government will make clear that they have abandoned any idea of carrying out a review, because the new body should be allowed to get on with its job without the continued threat of blackmail from the Government that if it does not do just what the Government want it will be abolished.

The Government are retaining massive draconian powers over ILEA. Not only are there the rate-capping provisions of other legislation but there are staff control and review provisions. It is sad that the Minister returned again to cost effectiveness. No one has managed to show that ILEA does not do a better job than some of the other authorities that spend less money. He trotted out the exam results but he and the Secretary of State would agree that exam results are not the only criteria by which to measure success. If one uses exam results, one has to look at other factors such as the social background of the children.

It would have been far better if the Minister had reduced some of the controls over ILEA, recognised the first-class job that it is doing and also acknowledged that it should be responsive to local democracy. The people of London are justly proud of the services that ILEA provides. I am sure that in the first election to the new body there will be a resounding vote of confidence in Labour representatives who want to go on providing a first-class education service. Sadly, they will get a mandate from the electorate but the Government will have the veto over sufficient resources to carry out the policies.

The Government should stop continually sniping at ILEA, and proudly tell the country what a first-class job ILEA does. The Minister said that other inner-city authorities were more cost effective than is ILEA. He should remember that the HMI report said that only 11 local education authorities were providing a satisfactory

standard of education and that ILEA was one. It seems that the Government are determined to remove ILEA from that group by restricting its resources.

Although I welcome the Government's removal of the obnoxious bits of this Bill, there will be a continuing campaign from Labour Benches to ensure that ILEA has the resources to continue to do a first-class job.

Mr. Frank Dobson (Holborn and St. Pancras): I join with my hon. Friend the Member for Denton and Reddish (Mr. Bennett) in welcoming the death-bed conversion of the Government to the arguments put repeatedly by the Labour party over the past five years. I am not sure that they were as convinced by the arguments mounted in the other place as by the outcome of the Division, in particular on the amendment moved by the Lord Bishop of London, somebody who does not normally command much support from the Labour party.

We welcome the removal of one of the innumerable threats and worries that the Government have posed to ILEA over the past few years. As the parent of three children who attend ILEA schools, I am as conscious as anyone of the genuine shortcomings of that authority. Those who run the authority, both the elected members and the people who work for it, are also aware of the shortcomings.

One of our major criticisms of the Government is that at all times from 1979 until now the effort of all those in inner London who want to improve the standard of education has had to be diverted time and time again from the schools to protecting the existence of the authority and fighting for sufficient resources with which to carry out a difficult job. When he was the hon. Member for the City of Westminster, St. Marylebone, the right hon. Member for Mole Valley (Mr. Baker) played a prominent part in seeking to undermine ILEA. His fatuous Baker report called for the break-up of ILEA and for its duties and powers to be devolved to the constituent boroughs. He will not receive a prize for consistency by urging the House to support the Lords amendment. The right hon. Member for Mole Valley no longer represents the City of Westminster, St. Marylebone. He had to do a bunk to Mole Valley, presumably because he was frightened of the parents of children attending ILEA schools in his Marylebone constituency.

All hon. Members who represent inner London constituencies want ILEA to be provided with a period of stability and certainty so that the teachers, the other staff of the authority, the children and the parents can concentrate upon improving the standard of education. They want the Government to provide sufficient resources to enable them to carry out that job. ILEA is being denied those resources. Rate capping will damage the standards of education in inner London. The constant sniping, bickering and mean-minded malignancy of the Secretary of State and his hon. Friend the Member for Dartford (Mr. Dunn) have severely damaged the morale of all concerned.

If the Government do not resign shortly, the best thing that they could do would be to turn their attention to that London organisation which, compared with other organisations, is by far and away the most expensive and the least competent, the Metropolitan police. The only problem is that if they turned their attention to that expensive and incompetent body, they would find that the Home Secretary is the responsible authority. It would be better if the Government did something about the Metropolitan police for which they are directly responsible and allowed ILEA to get on with its difficult and important task.

Mr. Chris Smith (Islington, South and Finsbury): I, too, welcome the Government's admission of the strength of the arguments that have been advanced both in this House and in another place. Their recognition of the truth of the arguments comes, I suspect, not just from the force with which they were put but from their recognition of the enormous strength of feeling among parents right across inner London about the value of the education that their children receive from the Inner London education authority. That is true of my constituents, many of whom have written and spoken to me about the subject since the Bill was introduced.

The Opposition wish that in taking this first step in the learning process the Government had taken some further steps. ILEA will still be affected by the vicious rate-capping proposals that have been imposed upon it this year by the Government. If further designations are to be announced in the next few weeks, ILEA might be rate capped next year.

The Secretary of State has also taken powers to interfere in the sensible running of ILEA. He has not taken similar powers to interfere in the running of other education authorities. When Her Majesty's Inspectorate says that of all the education authorities in Britain only six—one of which is ILEA—are providing anything like an adequate standard of education it ill behoves the Government to start interfering with and intervening in that authority and not look at the standard of education that is provided elsewhere. The Government should direct their attention to that aspect, not to the excellent work that is done by teachers, staff and everyone who works in and for ILEA. That work is deeply valued by parents and other people in my constituency and throughout inner London. I welcome the Government's conversion. I hope that it will be the first of several in the right direction.

It being a quarter past Nine o'clock, MR. SPEAKER *proceeded, pursuant to the Order this day, to put forthwith the Question already proposed from the Chair.*

Lords amendment No. 13 agreed to.

MR. SPEAKER *then proceeded to put the Questions necessary for the disposal of the business to be concluded at that hour.*

Lords amendment No. 16 disagreed to.

Amendment (a) *made to the Bill in lieu thereof.*

Lords amendments Nos. 24 to 33, 40 and 41 disagreed to.

Lords amendments Nos. 14, 15, 17 to 23, 34 to 39 and 42 agreed to.

Government amendments (a) and (b) to Lords amendment No. 18 agreed to.

Clause 47

GRANTS TO VOLUNTARY ORGANISATIONS

Lords amendment: No. 43, in page 30, line 12, at end insert—

"( ) Each constituent council in Greater London or a metropolitan county shall exercise its functions under this section, and under any scheme made under this section, with due regard to the needs of the whole of Greater London or that county, as the case may be, and each scheme shall provide for those needs to be kept under review."

The Parliamentary Under-Secretary of State for the Environment (Sir George Young): I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Speaker: With this we may take the following:

Lords amendment No. 44, after clause 47, insert the following new clause—

GRANTS BY RESIDUARY BODIES

.—(1) The Secretary of State may by order provide for the making of grants to eligible charities out of money received from the disposal of land by the residuary bodies established by Part VII of this Act.

(2) In this section "eligible charity" means, in relation to a residuary body, a body of persons or trust established for charitable purposes only, being purposes which are wholly or primarily for the benefit of the area for which the residuary body is established."

and the amendments thereto:

(a) in line 2, leave out 'may' and insert 'shall'.

(b) in line 3, leave out 'eligible charities" and insert 'voluntary organisations'.

(c) in line 6, leave out subsection (2) and add

'(2) And order under subsection (1) above shall provide that so far as is practicable the total expenditure of each residuary body under this section shall be no less in real terms than the total expenditure on grants to voluntary organisations of the Greater London Council or a metropolitan county council as the case may be, in the area of that residuary body in the financial year 1985/86.

(3) In this section "voluntary organisation" has the same meaning as in section 47 above.'.

Lords amendment No. 57, in page 67, line 7, at end insert—

"( ) consider whether it is desirable that a scheme under section 47 or (*Research and Collection of Information*) above, or schemes under both those sections, should be made by those councils and, if of that opinion, promote the making of such a scheme or such schemes;"

Sir George Young: The provisions in the Bill dealing with support to voluntary bodies have developed and have improved during the Bill's passage. I am grateful to those voluntary organisations that have come to discuss with Ministers in my Department the provisions of the Bill. We are indebted to them for many of the improvements that we have now introduced.

In this House we revised clause 47 extensively to meet the points that had been put to us. In the other place the additional change provided for by amendment No. 43 was a response to further suggestions that were put to us by the voluntary sector. There has been concern that, in the absence of the GLC and, to a lesser extent, the metropolitan counties, grant-giving by the local authorities would operate in what would be seen to be a policy vacuum. The Government did not wholly share that fear. It seemed to us that it would be no more than normal local authority practice to operate arrangements for grant-giving under arrangements that would take account of the priorities and needs of the areas concerned. We had to recognise, however, that the concern of the voluntary sector was acute on this point and thus, when an amendment was put forward on Report in another place seeking to have annual reviews made of the needs of the whole area involved in schemes under clause 47, my noble Friend undertook to consider that point. This he did, and amendment No. 43 was put forward by the Government and agreed to on Third Reading in the other place.

I believe that this change to clause 47 has been warmly welcomed by the voluntary sector because it provides two useful additions to the operations of clause 47. First, it ensures that in all aspects of operating the scheme all the constituent councils have to have regard to the needs of the whole area. That is a strong reinforcement of what we had always intended should happen. Secondly, it requiresd each scheme to contain provisions for those needs to be kept under review. This is not a mechanical annual review, as some have sought, but a continuing obligation to respond to changes and developments. I hope that the House will welcome the amendment in the same way that it was welcomed in another place.

Lords amendment No. 57 meets a concern expressed by the voluntary sector in the metropolitan counties. The London boroughs have been very quick off the mark to start making arrangements for funding the Londonwide organisaions. Richmond council has taken the task of acting as lead borough, and has already been in touch with over 800 such organisations. In the metropolitan counties, the districts have, unfortunately, not been quite so quick to get going.

Specifically at the request of the Manchester council for voluntary organisations we have included a provison that will require the joint organising committees to consider the desirability of setting up collective arrangements. This will give the districts a prompt, if they need one. Assuming that they agree that the scheme is a good idea, they will then be required to promote its setting up. I hope that the House will join me in supporting what is another useful addition to the provisions for the voluntary organisations.

Mr. Alfred Morris (Manchester, Wythenshawe): I sent the Secretary of State details of the concern felt by voluntary organisations in Greater Manchester. They are looking for a clear guarantee that they will be protected. The Minister knows that there are daunting difficulties facing voluntary organisations in Greater Manchester not least because the statutory organisations find it increasingly difficult to carry out their legal duties. What guarantee can the hon. Gentleman give voluntary organisations in Greater Manchester tonight?

Sir George Young: I am very grateful to Mr. Henry West, who has visited Ministers in my Department on several occasions to relay exactly the concerns outlined by the right hon. Gentleman. I hope that the district councils will avail themselves of the transitional funds that the Government have made available to help local organisations, which at present receive funding from the Greater Manchester council. It is precisely to meet their needs that we have increased to £20 million the amount of transitional funding. I hope that the district councils in the Greater Manchester area will get together soon to decide their priorities for next year. If they want to bid for the £20 million, they should not lose too much time in so doing. The Government are aware of those concerns. They have been forcefully put to us by Mr. Henry West and others, and the Government have increased the transitional arrangements to safeguard the well-being of the worthwhile organisations in Manchester.

Lords amendment No. 44 is the other provision relating to grants for voluntary bodies. The Opposition have tabled an amendment, but first I wish to explain the intention of their Lordships. The amendment introduces a new clause designed to enable funds to be provided for endowing a new trust for London, but the provision is not limited to London alone; it would allow similar arrangements to be

made in the other metropolitan areas if there were sufficient surplus assets arising in those areas. The unallocated assets of the GLC will pass to the London residuary body on 1 April next year. From the proceeds of disposing of those assets the endowments will be made. The Secretary of State will make orders providing for the making of payments by the residuary body to charitable trusts whose purpose is to benefit the area concerned. This endowment for the new trust for London will be new money for the voluntary sector in London. Initially, we estimate that £10 million could be transferred from the GLC's surplus assets, and we intend that this should be added to by corporate and other private contributions.

However, the funds made available to the new trust will build up over time. Depending on the rate and scale at which the London residuary body is able to realise the surplus assets, the clause will enable the Secretary of State to provide by order for payments to be made to the trust. Needless to say, the proposal was welcomed by everybody who has an interest in the future of London's voluntary bodies.

The Opposition have tabled a number of amendments to these proposals, but I must say that I cannot advise the House to accept them, first because they would require the Secretary of State to provide for as much grant-giving as the GLC and the metropolitan counties are providing in 1985-86. That would be on top of the arrangements for collective grant-giving by the boroughs already provided for in the Bill; it would be on top of the Government's special programme of £20 million of grant aid for local groups and it would be on top of whatever else the boroughs individually decided to spend. That is an unrealistic proposal.

Other parts of the Opposition's amendments would require the Secretary of State to order money to be transferred to voluntary organisations. We have already made it clear that we shall do this in London. The metropolitan counties will have to await a proper assessment of the size of surplus of ex-MCC assets. The surplus may be small and it would be wrong to promise what could not be delivered. The authorities have been in existence for only a comparatively short time, but we do not rule out altogether the possibility of a surplus. The clause has been drafted to allow provision to be made in the met areas if it emerges that there is a basis for so doing.

The Opposition seek to change the definition of the groups that are eligible to receive the proceeds of ex-GLC or ex-MCC assets from the residuary bodies. That amendment would make almost any non-profit-making body eligible. It is our intention that large capital sums — I have mentioned £10 million — that have been accumulated at the expense of ratepayers in London or elsewhere should be paid over only to properly established trusts that have been set up to meet the needs of the area concerned. I am sure that we should retain the requirement that their Lordships have proposed.

The trust, when it is set up, will be able to fund voluntary organisations as more broadly defined by the amendment, but in the first instance we think it right that the funds should transfer to a body as we have defined it in the amendment. We shall listen, of course, to what Opposition Members have to say about their ideas but it seems that they want to turn the residuary body into a substitute general purpose grant-giving body under the direction of the Secretary of State. That would be inappropriate.

I think that it is generally acknowledged that when we introduced the Bill many voluntary bodies were disturbed. They saw the councils that funded them being demolished and they were uncertain about who would fund them after 1986. My right hon. Friend the Secretary of State and other Ministers in the Department are aware of the voluntary organisations' fears and uncertainties because we have indulged in lengthy consultations with the NCVO, the LVSC and other voluntary bodies. We have met them on many occasions and from our discussions with them, and our understanding of their fears and anxieties, we have been able substantially to reassure them. We have taken on board many of their suggestions for improving the Bill. We have provided for encouragement and assistance, such as the large increase in transitional support from the £5 million we proposed originally to the £20 million that is now on offer.

Equally importantly, the voluntary sector has been able to learn more about what we, the Government, propose. We have been able to explain to voluntary organisations what we are doing to see through our commitment that good voluntary projects should not lose out as a result of abolition. Two significant proposals will ensure that successor authorities can take over the funding of the voluntary bodies. There will be collective funding by districts and boroughs for county and Londonwide groups with £20 million more of local projects to receive aid via the districts. Over and above that, the trust for London will be endowed with at least £10 million. There are possibilities of others in the mets being so endowed if resources allow.

Mr. Tony Banks: Will the Minister explain to the House that £20 million of Government money will not be handed over? That is the impression that he tends to give when speaking on this subject. The Government will be giving permission for the boroughs and districts to spend £20 million of their own money, which they will be hard put to raise anyway because of rate capping.

Sir George Young: It is £20 million of projects that are funded by voluntary oranisations that are eligible for transitional funding. Support from the Government will be phased from £75 per cent. tapering over four years. If the hon. Gentleman reads the reports of what I said in Committee and on the Floor of the House, he will see that I have always been open about the degree of assistance and support that the Government will provide.

Our exchanges with the voluntary bodies have been fruitful and it is my distinct impression that the voluntary organisations in London and in the mets are now much more confident about the future. Such uncertainty as still remains stems almost entirely from the attitude that has been taken by the Labour party, which has refused so far to take part in the preparations for the London collective scheme. It is still striving to ensure that information that is needed desperately to allow grants to be made to voluntary organisations next year is not available. Only last month, when asked by Wirral and Sefton to release such information for Merseyside, councillor Keva Coombes got solid Labour support for continued refusal to discuss that issue.

The true friends of the voluntary sector are on the Conservative Benches, and voluntary bodies will not be deceived by the superficial show of concern on the Opposition Benches. I hope that the House will support the Lords amendments and resist the Opposition amendments.

9.30 pm

Mr. Allan Roberts (Bootle): I should like to discuss our amendment (a) to Lords amendment No. 44, and I hope that we shall be able to vote on it at the end of the debate.

If the Minister believes that the voluntary sector has welcomed what the Government did in the other place, and honestly believes that the voluntary sector has been substantially reassured, I can assure him that he is talking to a different voluntary sector from the one that has talked to me and my right hon. and hon. Friends. People in the voluntary sector are still disturbed and concerned. Indeed, many are till angry about the Government's proposals, despite the amendments in the other place. If the Government claim that there is adequate money in the arrangements that have been made to replace the grant-giving powers of the GLC and metropolitan counties, they are not deceiving Opposition Members, they are not deceiving the general public and they are certainly not deceiving the voluntary sector.

Let us look at exactly what happened in the other place and at what the amendments do. First, there is the trust that the Government are establishing. It will receive money from the residuary bodies, which have been set up to sell off the assets of the metropolitan counties and the GLC. That is the vindictive part of the Lords amendments. The Government are obsessed with getting rid of County hall, and selling off the assets that belong to the GLC and the metropolitan counties. They especially want to get rid of County hall as the London symbol of democracy throughout the capital, a symbol that has existed for many years.

In trying to pretend to the voluntary organisations that the sale of assets will produce a large amount of money that can be handed over to the trust to be used for the voluntary sector, the Government do not say where the 32 of the 42 functions, which will be run on a countywide basis under the legislation, will be run and administered from. If County hall is sold—which I doubt will happen—where will ILEA go? ILEA has done its sums, and has estimated that it would cost at least £100 million for it to move out and find other premises. There will not be the bonanza from asset selling by the residuary bodies because all the joint bodies and other quangos that the Government are establishing will need to be housed in not less but more office space than is used at present by the metropolitan counties and the GLC.

The Government envisage that £10 million will be given to the trust at first. That will be invested, and 10 per cent. interest a year will give £1 million. That is mere chicken feed compared with what the GLC and the metropolitan counties now give to voluntary organisations. It does not allay any of the fears that have been expressed.

Let us look at what the trust is. It will not be democratically accountable. It may not have representatives of the voluntary movement on it. Who will the Minister appoint to the trust? There are rumours that existing foundations such as the City Parochial Foundation might be given the job; that would reassure the voluntary sector to some extent. Will the trust be established by the Government, and appointed by a body of do-gooders to ensure that no controversial grants are given? That is where the prejudice comes in. I was in the Committee on the Bill, and the only argument from Conservative Members in favour of abolition—because they could not prove their case on the basis of cost—was prejudice, particularly against the controversial grants given by the GLC and the metropolitan counties. Will the trust be an anodyne group of Conservative do-gooders, specially appointed to do the Government's bidding?

In our amendment we substitute the phrase "eligible charities" for "voluntary organisations". The fears of many voluntary organisations, which receive grants from the GLC and metropolitan counties but which are not charitable bodies, have not been allayed by the Government's proposal. The GLC and metropolitan counties do a great deal of work in unemployment centres, but those centres do not qualify under the Lords amendment because they are not charitable bodies. Many co-operatives and women's organisations will not qualify. The Minister referred to the Richmond scheme. Its proposals have already been published in draft form and exclude grants to women's groups. That sort of thing is already beginning to happen.

With the amendment the Government vindictively seek to force the sale of assets. It is clever conservatism to be vindictive towards metropolitan authorities, and to take their assets and show care by giving those assets to the voluntary sector. In that way the Government are trying to get the voluntary sector to go along with them, and to see some advantage in being vindictive towards the metropolitan authorities. However, people in the voluntary sector know that those authorities are their genuine friends because those authorites have given them cash, money and support, and the Government have given them nothing but false promises.

Mrs. Angela Rumbold (Mitcham and Morden): I should be grateful if the hon. Gentleman would tell me what he considers a voluntary body to be. Is it a body which receives money from the Government to do the Government's bidding, or one which is doing work for the community, and which, in my view, should not be paid anything by the Government?

Mr. Roberts: My definition of a voluntary body is a non-statutory, non-profit making body which contributes to the welfare of the community, such as many non-charitable women's groups, black groups and groups that work with the unemployed. This includes many groups against which Conservative Members are prejudiced. They are voluntary groups, but not necessarily of charitable status, just as some voluntary housing associations are of charitable status and some are not.

Mr. Tony Banks: Will my hon. Friend comment on what the Minister said about the Tories being the friends of the voluntary sector, when in 1984-85 the GLC is providing grants totalling about £60 million to voluntary organisations? How does that compare with the sum that the Government are prepared to provide?

Mr. Roberts: The Government are providing chicken feed compared with the GLC, and the same story is true throughout the metropolitan counties.

The Minister made great play of the increase in the transitional money, as though the Government were providing a great deal of money for that four-year period. When the Bill was first published the Government were to provide £10 million or, to be exact, £7·5 million, and the remainder was to come from local authorities. Then,

because of the pressure of the voluntary sector, the figure was increased to £20 million. We can draw a picture of the municipal bill run up by the Conservatives—from £10 million, to £20 million, and closing at £40 million. That is their last offer. What does that mean? In the first year the Government will provide £15 million for the GLC and the metropolitan counties, and the local authorities must find £5 million. In the second and third years both the Government and local authorities must provide £10 million. In the fourth year both the Government and the local authorities must provide £5 million. That is not exactly a windfall for local authorities, nor is it a great deal of money for the many voluntary organisations operating in those areas.

Mr. Alfred Morris: My hon. Friend put an important point in making it clear that our concern is not only with voluntary organisations—properly so-called. The Royal Exchange theatre company in Manchester has made clear to hon. Members from the Greater Manchester area that, without the £548,000 which it receives this year from the Greater Manchester council, the theatre will have to close. What kind of guarantee can we give the company about its future?

Mr. Roberts: Of course, the Government cannot provide guarantees. They have studiously avoided providing guarantees while mouthing platitudes about how they are trying to assist voluntary organisations.

The district councils and London boroughs are already rate capped, and will have to take over many functions after abolition, for which the Government will not provide extra rate support grants, yet they must find part of the transitional £40 million. They will be unable to meet all the needs, and will certainly be unable to meet the many requirements of the voluntary sector unless the Government undertake to provide the necessary money.

Another minor amendment tabled by the Government —many of them were probably drafted by the Minister —related to the concession that, in the first year of the collective scheme—the Minister praised the Richmond initiative—if two-thirds of the boroughs agreed to grant money to a countywide voluntary organisation, all the boroughs must contribute to it. However, the Government placed a ceiling on the amount that could be given, although for the first year they said that they would not use their powers to impose such a ceiling. That is not reassuring, because the Government are retaining their draconian, ministerial powers, as they have done throughout the Bill, to set ceilings and to control the amount of money that even the so-called democratically liberated London boroughs and metropolitan county councils will be able to give to voluntary organisations.

The Minister made much of Lords amendment No. 43, but it is extremely vague. It asks the boroughs to set up a review of social needs with due regard for the entire metropolitan county and GLC areas. What will be the result of such a review? The Minister rightly referred to the criticism from voluntary organisations they they will be unable to operate within comprehensive political or strategic frameworks. At present, the GLC and the metropolitan counties meet representatives of the voluntary movement and thrash out a set of policies, in relation to funding the voluntary sector, which operate within the terms of reference of each local authority's strategy. The trust cannot do that, because it has no other functions or powers. Many local authorities will come together to review social needs, but they all have differing views. I assure the House that Sefton council has a different view of the social needs of Merseyside from the views of Liverpool city council and Knowsley council. The trust will be no substitute for the present system.

We said in Committee that their Lordships said that the Government have failed to prove that administrative savings can be made in services by getting rid of bureaucracy. We were told that many services, including waste disposal, firemen and the police, would cost more. However, we now know that the cuts will be made in the voluntary sector. The Government were motivated to attack the GLC and the metropolitan counties because they wanted to cut the amount of money given to voluntary organisations. They did not like the way in which local government was setting new trends in encouraging community activity, bringing people closer together, working closely with the Labour local authorities to improve conditions in their communities and pioneering in the traditional local government way. They knew that the spin-off would be support for the Labour party, and that is why they are so vindictive against the GLC and the metropolitan counties. That is why they are attacking the voluntary sector.

These Lords amendments are prejudiced and spiteful. The Government's abolition proposals are based on prejudice and spite, and this attack on the voluntary sector is a prime example of it. Although Ministers try to put on a pleasant face, Conservative Back-Bench Members show their prejudice every time we mention the GLC, the metropolitan counties, or the giving of grants to the voluntary sector. I urge the House to reject the Lords amendments, which will not provide adequate support for the voluntary sector, and to accept the Opposition amendments.

9.45 pm

Mr. Andrew Rowe (Mid-Kent): We debate the amendment against the background of an extraordinary expansion in Exchequer and other public support for the voluntary sector. Gradually the partnership between the voluntary sector and the Government is becoming a genuine third force. Many of us who have worked in the voluntary sector have hoped for that for many years.

Such a partnership involves enormous difficulties. The whole point of the voluntary sector—whether charitable or non-charitable—is that it should be free to move where it will and to do those things which it sees are needed, particularly if the statutory sector does not recognise a paramount need. Too much of the voluntary sector is being sucked into the statutory sector simply because the money is made available to it and it therefore follows the money.

That is not necessarily bad, but I hope the Minister can reassure us that, after the long, constructive and hard-working sessions with the voluntary sector, he will ensure that we have a much clearer idea of those activities which the Government of the day believe appropriate to be done by the voluntary sector. Let us make no mistake. The voluntary and charitable sectors can take on able staff to operate under a Government grant which is often taken away after only a short time because of changes in political control or in the ability of the statutory sector to meet the

[Mr. Andrew Rowe]

need. I hope that as a result of the current painful discussions a more coherent strategy for the future will emerge.

Mr. Dobson: If that third force does not receive funds from the public sector, where will the funds come from?

Mr. Rowe: An enormous amount of public money is spent in that direction through tax concessions and other means. Increasingly, money is provided through a wide range of other sources, including the private sector, which in many ways is a healthier source of support than the state. What is more, the changes in the law governing covenants by the present Government have resulted in an increase in the amount of individual contributions, which I welcome.

The Opposition spokesman, the hon. Member for Bootle (Mr. Roberts), gave the show away because, although much of the money spent by the metropolitan authorities and the GLC has been spent in a pioneering way, too often it has been spent in such a way that pioneering has taken precedence over responsibility. Some pioneering groups have been incompetently managed and have been unable to perform the tasks which they were paid to perform.

Mr. Allan Roberts: Local authorities have always spent money on publicising their policies and ideas. The Government object, not to that, but to the fact that the metropolitan counties and the GLC are publicising their ideas successfully. That is why they object to their grants policy. The objection is not that they have failed, but that they have been successful.

Mr. Rowe: That is not why I object. I do not object to some of the experiments that have been carried out, but I do object to frantically increasing expenditure for no purpose other than to bind groups of diverse kinds and activities to the Labour party. That is the nub of the question. Many of the groups that have been funded had worthy aspirations and may derive from areas in which, because there are difficulties, they may have been able to appeal to sympathy or shame to get funding. When they have failed to deliver the goods, the result has too often been a desire to give them more money because the poor things failed to deliver the goods last time as they did not have sufficient money. In the budget for 1984-85 the GLC in particular delivered a cynical exercise in trying to bind to the Labour party the support of a wide variety of groups, some of which were undoubtedly worthy of support but many of which were not.

I support the Government amendments, but I urge the Government to take pains to build on the hard work that they have done so far to ensure a much more predictable pattern of partnership between the Government and the voluntary sector.

Mr. Michael Meadowcroft (Leeds, West): Because time is short I shall concentrate on the amendments proposed to Lords amendment No. 44. In the prevailing atmosphere of impending doom, I welcome the Richmond initiative to get the two thirds rule. My experience of district co-ordination in the voluntary sector is not encouraging. The two thirds rule will not breed harmony and light among the districts because those who are not party to the two thirds but are part of the one third or some smaller proportion, will not contribute willingly or with a warm heart.

The crux of the matter is the definition. If one restricts the definition to charitable organisations, one excludes a whole area of the voluntary sector which in some respects has been the most innovative, experimental and beneficial in recent years. To restrict matters entirely to those who fulfil the definition of "charitable" will exclude new groups which cannot, at the beginning of their lives, achieve charitable status. It will not be easy for the Government to discover a means of determining whether a group is charitable or not, in law short of registration with the Charity Commissioners. Those who have been involved in this area for many years will know that it is a legal minefield. It is not easy to determine whether a group is charitable or not, and the Charity Commissioners have great difficulty in doing so. There are many organisations which I believe are charitable but which do not have charitable definition and registration with the Charity Commissioners. In the past I have managed to get tax relief for many bodies which are not registered with the Charity Commissioners but which the Inland Revenue regards as charitable.

Another area which will be deprived is that of co-ordination of voluntary work. The councils of voluntary service which facilitate collaboration between voluntary and statutory bodies often find it difficult to achieve charitable status because the Charity Commissioners are loth to give that status to bodies that simply co-ordinate the activities of other voluntary organisations. A whole area with which many Conservative-controlled authorities are happy to work will be cut out from this definition and they will find their work extremely constricted.

Any attempt at such restriction runs counter not only to local government tradition and to the work that the local authorities have done for many years in endeavouring to pump-prime and to assist experimentation and innovation by not confining themselves to the use of charitable bodies. It also runs counter to central Government intentions and central Government tradition. An examination of grant-giving patterns under clause 64 from the DHSS or from the voluntary service unit of the Home Office and the urban programme and the partnership authorities, shows that most of those grants which are beneficial and accepted as such by Conservative Members do not go to those bodies which are deemed in law to be charitable. I cannot understand why the Government wish to cut off from grant aid under this heading those bodies to which they had willingly and voluntarily given support for many years.

The sums of money involved that have been quoted sound large but, for many reasons, the sums of money going through this third arm is extremely large. The sums being quoted are nowhere near enough to accommodate what is happening. For example, there is a housing project in Bradford with which I was associated when I was involved in the voluntary sector there which is costing £2 million. The turnover of some large city bodies is beyond the sums being quoted.

My experience suggests that the Government's policy will seriously harm the voluntary sector. Innovations and experiments will inevitably be deprived. It is not so much whether Conservative or Labour Members are the friends of the voluntary sector—from what I have heard today, the Government want to constrict local authorities and

Labour wants to control them. Neither is the right approach. The proposals of the Government and the other place are defective and I urge the House to accept the amendments to the Lords amendment.

Mr. Roland Boyes (Houghton and Washington): Through rate-capping and penalties, the Government have hit local authorities hard, and feeding cash into voluntary organisations will be ever more difficult. Local people are proud of Tyne and Wear metropolitan county council because it has helped and funded voluntary organisations. However, it now seems that there will be a distinction between Conservative-controlled shire counties and Labour-controlled metropolitan authorities.

Under section 137 of the Local Government Act 1972, district and county councils can each raise 2p with which to fund organisations and projects. Metropolitan counties are also able to raise a 2p rate for the dame purpose, so in an area covered by a metropolitan county council 4p is raised under section 137. If Tyne and Wear county council is abolished, however, only 2p will be raised for that purpose. Because the shire counties, which are predominantly Conservative controlled, will continue to exist, areas covered by them will continue to exist, areas covered by them will continue to levy 4p under section 137. In other words, Conservative-controlled areas will have much more money with which to fund voluntary organisations. If that is not political vindictiveness, I do not know what is. The Minister and the Secretary of State should reconsider and let boroughs in metropolitan county areas raise a 4p rate under section 137.

Question put and agreed to.

Lords amendment: No. 44, after clause 47, insert the following new clause—

"Grants by residuary bodies

.—(1) The Secretary of State may by order provide for the making of grants to eligible charities out of money received from the disposal of land by the residuary bodies established by Part VII of this Act.

(2) In this section "eligible charity" means, in relation to a residuary body, a body of persons or trust established for charitable purposes only, being purposes which are wholly or primarily for the benefit of the area for which the residuary body is established."

Read a Second time.

Amendment (a) *proposed to the Lords amendment:* in line 2, leave out 'may' and insert 'shall'.—*[Mr. Allan Roberts.]*

Question put, That the amendment be made:—

The House divided: Ayes 195, Noes 320.

Division No. 260] **[9.59 pm**

AYES

Abse, Leo
Alton, David
Anderson, Donald
Ashdown, Paddy
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Coleman, Donald
Conlan, Bernard
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Cunliffe, Lawrence
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gould, Bryan
Hamilton, James *(M'well N)*
Hancock, Mr. Michael
Hardy, Peter
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Haynes, Frank
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howells, Geraint
Hoyle, Douglas
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
Jenkins, Rt Hon Roy *(Hillh'd)*
John, Brynmor
Johnston, Sir Russell
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilroy-Silk, Robert
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lambie, David
Lamond, James
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Edward
McCartney, Hugh
McDonald, Dr Oonagh
McKelvey, William
McNamara, Kevin
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael
Michie, William
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Ross, Stephen *(Isle of Wight)*
Rowlands, Ted
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Steel, Rt Hon David
Stott, Roger
Strang, Gavin
Straw, Jack
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Torney, Tom
Wainwright, R.
Wallace, James
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
White, James
Williams, Rt Hon A.
Winnick, David
Woodall, Alec

Young, David *(Bolton SE)*

Mr. Allen McKay and Mr. Sean Hughes.

Tellers for the Ayes:

NOES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amery, Rt Hon Julian
Amess, David
Ancram, Michael
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Bennett, Rt Hon Sir Frederic
Benyon, William
Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blaker, Rt Hon Sir Peter
Body, Richard
Bonsor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Bruinvels, Peter
Bryan, Sir Paul
Buck, Sir Antony
Budgen, Nick
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Glyn, Dr Alan
Goodlad, Alastair
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hannam, John
Hargreaves, Kenneth
Harris, David
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irving, Charles
Jenkin, Rt Hon Patrick
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Knowles, Michael
Lamont, Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McQuarrie, Albert
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marshall, Michael *(Arundel)*
Mates, Michael
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Mitchell, David *(NW Hants)*
Moate, Roger
Molyneaux, Rt Hon James
Montgomery, Sir Fergus
Moore, John
Morris, M. *(N'hampton, S)*
Moynihan, Hon C.
Mudd, David
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Parris, Matthew
Patten, J. *(Oxf W & Abdgn)*
Pattie, Geoffrey
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Portillo, Michael
Powell, Rt Hon J. E. *(S Down)*
Powell, William *(Corby)*
Powley, John
Price, Sir David
Proctor, K. Harvey
Pym, Rt Hon Francis
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Malcolm
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speller, Tony
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Walden, George
Walker, Bill *(T'side N)*
Wall, Sir Patrick
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Watts, John

Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Carol Mather and
Mr. Robert Boscawen.

Question accordingly negatived.

It being after Ten o'clock, MR. SPEAKER, *proceeded, pursuant to the Order this day, to put the Questions necessary for the disposal of the business to be concluded at that hour.*

Lords amendments Nos. 44 to 47 agreed to.

Local Government Bill

Clause 55

ESTABLISHMENT OF RESIDUARY BODIES

Lords amendment: No. 48, in page 38, line 38, at end insert—

"(4) As soon as may be after the establishment of a joint committee under section 93 below for Greater London or a metropolitan county the Secretary of State shall, after consultation with that committee, appoint one of its members to be a member of the appropriate residuary body."

Read a Second time.

Mr. Straw: I beg to move, amendment (a) to the Lords amendment, in line 4, leave out ', after consultation with that committee.'.

I understand that we are to discuss also amendment (b) to the Lords amendment.

By amendment No. 48, which I understand was moved in the other place by the Government, it is proposed that the residuary body for London and those for the other areas should have added to their membership one of the members of the joint committee established under clause 93. By our amendments we propose that the Secretary of State should be required to appoint to the total number of members of the residuary body such members as are nominated to it by the joint committees of the local authorities. It is delightful to have the rapt attention of the House at 10.15 pm on such a scintillating topic. I repeat that it is possible, judging by the form of the earlier votes, that we will lose this vote.

So scintillating are my words that Mr. Speaker has moved out of the Chair. It is delightful to see Mr. Deputy Speaker back in the Chair. I thank Mr. Speaker for his rapt attention on this issue. Although I hope that it is not, this issue may be the last occasion on which we have a substantive debate. I hope that their Lordships will do their duty.

I should like to place on record, on behalf of my hon. Friends and myself, my thanks to the people who have briefed us over the last 18 months on the many issues of the Bill. Even the Minister will accept that not only have we won the arguments on the Bill and on the Local Government (Interim Provisions) Act but, unquestionably, as many Conservative Members have said, that we have been better briefed. The main reason for that is that there have been excellent briefing arrangements with both the GLC and the metropolitan counties parliamentary unit. We could not have advanced the arguments and turned what was seen by the Government as an electoral advantage into an electoral disadvantage had it not been for the work of people such as Damien Welfare and Richard Percival of the Greater London council and David Burton and Rodney Jones of the metropolitan counties parliamentary unit and their supporting staffs, and the leaders of the counties and the GLC, to whom we are all grateful.

10.15 pm

When the Bill was originally published, the residuary bodies were seen as bodies which would have merely wrap-up and technical functions. The Government suddenly realised that, although their intent was to snap out the light of the GLC and the metropolitan counties immediately on vesting day, on 1 April 1986, that would not be possible, and therefore there would have to be life after death for the councils, but the Government would try to limit that as far as they could. It was initially envisaged that the residuary body would have a role for superannuation, debt, central facilities and support.

As the Bill has progressed, the Government have had to face the fact that there will continue to be a countywide operation of many services and that in preparing the Bill in such haste and with such venom, and refusing to look at the good work of the GLC and the metropolitan counties, a great many specialist services provided by the councils, often unnoticed and unsung, were overlooked. Those services may be unnoticed at the moment, but were they to be abolished their absence would soon be noticed.

Such services had to be given a parent body and the Government realised that it would not be possible to provide for their control by districts, because they could not operate at district level, and the Government found it inappropriate to set up joint boards. Following the excellent report of the Select Committee on Science and Technology of the other place, the Government have widened the role of residuary bodies and these are now to provide professional and technical services to the successor authorities.

We welcome the wider role given to the residuary bodies, as far as it goes, and the fact that the services which faced a break-up and annihiliation are to continue. It is worth quoting, as I think I am allowed to do, the view of the Select Committee on Science and Technology of the other place. It said:

"the Committee repeat their conviction that the administration of local goverment in Greater London and the metropolitan counties depends for its effeetiveness on preserving the integrity of many of the specialist services built up by the GLC and the county councils. These authorities have demonstrated their ability to respond positively to the challenge of scientific and technical development. Further challenges lie ahead. The great conurbations require specialist staff and facilities to meet them. Economic, efficient and forward-looking services demand excellence, integration and continuity. The existing services should be improved not by being dismembered, but by being encouraged to progress. Centres of excellence are slow to develop but easy to destroy."

They would have been destroyed had the Government's initial proposals remained in force. However, the residuary bodies will not be just clearing-up organisations. They will supervise the services that are to continue in existence for the local authorities within their area.

We have always objected to the fact that the residuary bodies were to be appointed by the Secretary of State. However, although we disagreed with that idea, we could see some logic in it, given that they had a residuary role to perform. Now that they are to have a continuing role to perform it is unacceptable that all their members should be appointed by the Secretary of State. He will undertake to run the local authority services in the areas of the Greater London council and the metropolitan counties. That is wrong. The Government tell us that their aim is to devolve powers to the local authorities. If so, they ought to accept this modest amendment, which would make the members of the residuary bodies the nominees of the new joint committees which they have established.

Mr. Simon Hughes (Southwark and Bermondsey): This is an important issue. Our position has been made clear in the debate: that directly elected authorities will

become indirectly elected authorities by means of this strange beast, a creature of the Government, the residuary body.

I wish to draw attention to two specific aspects of the problem, to which I hope the Minister will pay careful attention. It was said during the Report stage in the other place by the Minister of State's colleague, Lord Gowrie, that many of the people who are now employed by the Greater London council and the metropolitan county councils will be employed by the residuary bodies. In planning the handover — the amendments refer to the method of the handover—it is vital that as many jobs as possible should be preserved. Those with technical expertise are irreplaceable for servicing whatever services remain to be run on a metropolitan countywide or Greater London councilwide basis.

As the transition to the residuary bodies and the joint committees, as envisaged in amendment No. 48, is planned and as we consider the membership of the joint committees and their method of working, they should be given the task of reflecting upon the way in which they can most effectively implement the ring fencing of many of the posts by ensuring that they are offered to those who would like to continue to use their expertise in local government.

Disagreement has been expressed by some employees of the seven local authorities. As was mentioned by the hon. Member for Blackburn (Mr. Straw), although many hon. Members have been well briefed by officers of the metropolitan counties and the GLC, sufficiently interested efforts have not been made by the unions representing those who are employed by the Greater London council and the metropolitan counties.

There have been notable exceptions. The Minister may remember that in Committee I moved amendments which, as he will know, emanated from NALGO in Greater London, and amendments were tabled in another place emanating from NALGO in the west midlands which were of interest and relevance to every person employed as a local government officer — people who were not supported by the NALGO national leadership. I say for the record, and without wishing to re-open old wounds, that many of the people in NALGO representing staff of the local authorities were disappointed that they were not better supported by their natural supporters, as they presume them, the Labour party, in this House and in the other place.

As I should like everybody to seek to remedy the position, I shall quote from *Abolition News 6*, a NALGO news bulletin produced by the west Midlands county branch abolition staff protection sub-committee dated only a couple of months ago. Indeed, there are later editions up to the most recent, *Abolition News 8*. *Abolition News 6* says:

"We were desperately disappointed with the Labour Party's showing. We had all hoped for some action on the staffing issues, yet it's become plain both in the Lords and in the earlier debate in the Commons that they are not interested in talking about staff. This is at odds with the Party locally, who are very understanding and, we believe, genuinely anxious to help as indeed are a number of our own Councillors. We are sure they feel rather let down as well."

It goes on to say, having condemned NALGO nationally, and commended my alliance partners and my party:

"The Government, of course, are laughing. Not only have they avoided an embarrassment in the Lords, they have scored a number of points off the Opposition in doing so, and have managed to show the Labour peers''concern' for staff."

It goes on to leave the members to judge for themselves the party's performance and the arguments about staffing.

The tragedy was that in the other place staffing came up on the day of the Ascot gold cup or some such important national event. Therefore, the Tory party decided to spin out the staffing debate, which is always less controversial, and got everybody back after Ascot for the crucial votes on the subsequent amendments concerning the residuary body. As a result, there was no informed or expert debate there either.

The hon. Member for Coventry, South-East (Mr. Nellist)—I warned him that I would mention him, and I hope that it does him no harm — has regularly and consistently argued the case for people employed in local government in the seven authorities in question. He has done so justifiably because the Government's figures at the beginning were clearly wrong, and they had not thought through the implications for staffing. We have been watching the draining away of experienced officers. I was talking the other day to a senior legal officer of the GLC who was watching his colleagues disappear, leaving for jobs which are certain as opposed to staying in jobs which are uncertain and without any definite future, and leaving behind the others to try to hold together the muddle that is of the Government's creation.

While it is clearly not in question that local government is about services, and the jobs are there to provide those services, the Government have not understood the need for those people who will be necessary in these after lives that the Government will have us create by the amendment. The joint committee and the subsequent residuary bodies are being prepared for that, and people are not being given the opportunity to apply.

My main criticism goes to the Government, but it also goes to NALGO nationally which voted, by way of resolution at the annual conference, that its staff and members should boycott subsequent bodies. With no vested interest, I beseech NALGO to change its mind. This is not in the interests of local government officers who have given months, years or decades of service to local government in some authorities which, whatever their history, are among the most competent and experienced authorities in Britain with the greatest expertise. It is not in the interest of the members of staff for the union to tell them that they must have nothing to do with the successor authority.

10.30 pm

Mr. Tony Banks: Why does the hon. Gentleman think that the national conference of NALGO is any less concerned about its membership than he? Does the hon. Gentleman accept that the union has decided that it has found the best way of protecting its members' jobs?

Mr. Hughes: I accept that the national conference of NALGO should be as concerned as I am. It should be more concerned, because it has a specific responsibility. However, if the Bill is enacted, the national conference will call for all-out industrial action. If it believes that that will advance the cause of its members, it is mistaken. I am not saying that the national conference is not interested. I am merely saying that its tactics are wrong and that I hope that it will think again. In the interests of the continuance of service in whatever form the Government have contrived to give us local government — a form for which no Opposition Member has argued—we want the best people doing the jobs that remain.

[Mr. Hughes]

I plead with the Government to let the joint committee and the residuary body pass on early information on the jobs that will be left. Secondly, let those who represent the work force ensure that they allow its members to service theo successor bodies for the short interim period that will ensue. If the Bill is enacted without the Lords standing up to the Government again, we shall not have regional government in London. In the interim at least we shall have local government officers carrying on the services which were administered in readiness to re-enter a greater and better regional body which parties other than the Conservative party will bring about sooner than the Government would like.

Sir Geoffrey Finsberg: I shall begin by referring to ring fencing and stating that for several years I was one of NALGO's two parliamentary advisers. Those were in the days when NALGO was composed far more of officers who served their councils rather than their political masters. The real danger is that NALGO is beginning to drift into political subservience. I am not so worried by the remarks of the hon. Member for Southwark and Bermondsey (Mr. Hughes) about some local government officer leaving the service. Some of the creatures appointed by Mr. Livingstone as assistant directors have been placed for their political knowledge. The sooner they go the better. In that way no one will have to pay compensation to them, unlike some of the creatures who were appointed to London Transport by Mr. Livingstone, to whom we had actually to pay money.

Having had experience of the previous reorganisation of local government, I appeal to NALGO and the staff union at county hall, which still exists despite the efforts of Livingstone and Co. to denigrate it, to remember that their first duty is to the public that they serve and the public that pay their salaries.

Mr. Tony Banks: Like they pay us.

Sir Geoffrey Finsberg: If the chairman of the GLC would care to intervene, I shall be delighted to give way to him.

Mr. Tony Banks: The hon Gentleman does not give way usually.

Sir Geoffrey Finsberg: The hon. Gentleman is too concerned about prostituting that high office that was once honourable actually to intervene.

Mr. Tony Banks: On a point of order, Mr. Deputy Speaker. I ask the hon. Member for Hampstead and Highgate (Sir G. Finsberg) to withdraw his last comment. It is a complete reflection on me as a Member of the House.

Sir Geoffrey Finsberg: The office of chairman of the GLC has been a highly honourable one and I am talking of the office and not the holder. I can visualise Sir Isaac Hayward and Bill Fiske whirling round in their graves if they knew of the way in which the office was now being used. I withdraw nothing from what I have said.

Mr. Straw: Further to the point of order, Mr. Deputy Speaker. I seek your guidance. There are rules concerning the use of unparliamentary language. Hon. Members heard the hon. Member for Hampstead and Highgate (Sir G. Finsberg) claim that another hon. Member was prostituting an office that he holds. I submit that that is unparliamentary language and that the hon. Gentleman should be required to withdraw the expression.

Mr. Deputy Speaker (Sir Paul Dean): It may have been strong language, but there was nothing unparliamentary about what was said.

Sir Geoffrey Finsberg: If it will help, I certainly make it clear that I mean no personal imputation against the hon. Member for Newham, North-West (Mr. Banks), who decorates functions in the City when he turns up in his limousine and white tie and tails.

It is important for the staff to have their future safeguarded. That means that the information required by the London boroughs and other organisations should be swiftly provided.

Mr. Nellist: Does the hon. Gentleman think that the staff should have their futures safeguarded? How many staff should have their futures safeguarded? To which services does he refer? At which level of which metropolitan county and the GLC should they be safeguarded? For 15 to 18 months during the passage of this and previous Bills neither the Secretary of State nor the Minister has said which workers in which departments in which county council have a future to be safeguarded.

Sir Geoffrey Finsberg: That is a reasonable intervention, and I am sure that the hon. Gentleman will forgive me if I say that I can speak only from my knowledge of London. Until the information is supplied in detail from county hall, no one can give an accurate answer.

Mr. Nellist *rose——*

Sir Geoffrey Finsberg: I shall not give way again. The hon. Gentleman can speak later if he wishes. Until county hall responds to the questions which the boroughs have been asking for months, no one can give the detailed answers which the hon. Gentleman and many others would like. It is certain—this is on the record—that we shall not make the mistake that we made last time in the re-organisation of London local government, when everyone's job was automatically guaranteed and when my borough of Camden finished up with three directors of finance and with one town clerk and three associate town clerks. That will not happen again.

The hon. Member for Blackburn (Mr. Straw) raised the issue of ring fencing. At the moment, he is with his natural allies — the alliance — and I hope that he joins them soon. We need to ensure that the information comes forward. If NALGO is prepared to do the job that it once did, I believe that its members will co-operate.

The hon. Member for Blackburn quoted selectively, at great length, from the report of the House of Lords Select Committee on Science and Technology. The report, which has been quoted three times already tonight, speaks in terms of deciding

"to concentrate on a selection of case studies".

Who made the selection? The report states that it does not "touch in depth on the general subject of waste disposal". It is an interim report. The inquiry is "incomplete". Most of the evidence is "as yet unpublished". The Committee did not wish to pre-empt its "final report". The document is valuable as a guide, but not as anything authoritative. The House would be well advised to do no more than look at it as a guide, and not as a bible.

The hon. Member for Blackburn referred to the residuary bodies. I am glad that they are to be self-destructive—the sooner the better. I am equally happy with the appointment of Sir Godfrey Taylor as the provisional chairman of the London residuary body. Two things will happen. First, the intention of the House that borough government shall predominate in London as quickly as possible will come about. Secondly, I believe that that particular residuary body——

Mr. Tony Banks: Earlier in his speech the hon. Gentleman referred to Mr. Livingstone appointing his creatures. Does he not feel that Sir Godfrey Taylor, as a rabid Tory, is just the creature of the Secretary of State?

Sir Geoffrey Finsberg: There is a great difference between a paid civil servant in local government——

Mr. Tony Banks: I see.

Sir Geoffrey Finsberg: As the record of any Government will show, if one is appointing a body to carry out one's policy, one appoints the best qualified people. I remind the hon. Gentleman that some people might have thought it fairer if the Government had appointed Mr. Livingstone as chairman of the residuary body! Quite a few people might have said that! The difference between the chairman of such a body and a civil servant should be clear, even to the hon. Gentleman. Again, that is proof that the blurring of the lines between politics and civil servants and local government officers has gone too far.

I hope that the residuary bodies will do their work more swiftly than the Government envisage. I believe that in London at any rate we can look forward to a three-year rather than a five-year life. In the end what matters is the information coming out to the boroughs from county hall and the districts in the other metropolitan counties.

Mr. Merlyn Rees (Morley and Leeds, South): I should like to refer to residuary bodies as they apply to west Yorkshire. It is understandable why much of the debate has properly concentrated on London, as it seems to have done during all the discussions in the past year, but there are places away from London. West Yorkshire is one of them.

I should like to refer to some of the remarks made by the hon. Members for Hampstead and Highgate (Sir G. Finsberg) and for Southwark and Bermondsey (Mr. Hughes). The hon. Member for Hampstead and Highgate referred to NALGO. I was surprised at what he said. All that I know as a politician—and that is the reason why I am here—is that NALGO voted nine to one against affiliating to the Labour party. The hon. Gentleman also referred to his experience in the local government reforms of the past 20 years. I know that he has great experience. The first reform was in 1963, which set up the Greater London council. They got it wrong. I have always been sorry that Middlesex was abolished, for example. Whatever doorstep I go on in my county of west Yorkshire, in the old borough of Morley, which is now part of Leeds, nearly everybody tells me about their view of the mistake that was made in 1974. It looms much larger in those people's mind and experience than many of the issues that we raise on the Floor of the House. There is local feeling about local government reform.

In the House, we have a happy knack of getting it wrong. We get it wrong when we put the experts in, because the experts often know nothing about local government, but think that they are translating the views of some large company, with marginal analysis on how to get things efficient and so on. But the people who know about the services that they get know that the House has made a mistake. We are now doing it in a completely different way, but we are making the same mistake, and equally getting it wrong. Nothing that I have heard in the past year will convince me otherwise.

Sir Geoffrey Finsberg: I have been consistent throughout. I opposed the creation of the GLC from the very outset. I was a borough man in those days, and that is a view that I have always kept.

Mr. Rees: On that occasion, which was just before I went to Yorkshire, I had a feel for the old county of Middlesex and I thought that Herbert Morrison was not just being dog in a manger about the old London county council. He was right about it. It could have been changed in more appropriate ways than were used at the time. That is why I am glad to hear from my hon. Friends, especially our Front Bench, that we are not merely talking of recreating the GLC in future, but of creating a strategic body that will be studied afresh. The GLC was not right, and the way in which the Government are abolishing it is wrong.

I live in Bermondsey when I am in London, and I was surprised at the story of Tories going to Ascot. I am a devotee of the hon. Member for Aldershot (Mr. Critchley), and thought that all that had changed. I thought that those Tories were now sergeant-majors, suburbans, and the children of the people for whom the Lord Chancellor rang his handbell at conference years ago. I can only assume that some of the old gentlemen Tories are still present in the other place. They are the sort of chaps who do not make snide remarks at by-elections about the marital status of candidates. In other words they are gentlemen, whatever else they may be.

10.45 pm

When I first went to Yorkshire 25 years ago I was surprised to find a spirit afoot there that was akin to that in Northern Ireland, Scotland and Wales. The only bit of Yorkshire left now is north Yorkshire. In one of the Government's good centralising activities, Yorkshire was finished.

Mr. Richard Holt (Langbaurgh): With respect, that is not accurate because the Government did away with north Yorkshire and made an abortion called Cleveland.

Mr. Rees: That is another matter and, in the hon. Gentleman's view, it probably proves that local government reform was a mistake.

It is extremely sad that only north Yorkshire is left. Last night I went to Huddersfield to hear the Huddersfield choral society, and all Yorkshire was present. When the choir sang the Hallelujah chorus, I thought, "I wonder what smart remarks that lot down in London would make about this." It was Yorkshire, but because of the Tory Government there is nothing but north Yorkshire left. That illustrates the mistake being made in this reform.

How will the residuary body work regarding the reorganisation of the police? Last night at the concert I asked many people what would happen about the west Yorkshire police, whether its headquarters would remain in Wakefield, and how the five district councils would deal with policing. Nobody seemed to know. I am convinced

[Mr. Rees]

that the reorganisation of the police in west Yorkshire cannot be left to appointees of either the Secretary of State for the Environment or the Home Secretary.

The question does not merely relate to policing and the number of policemen under each district council, but to the financing of the force. Under the existing west Yorkshire police, policing is provided for all parts of west Yorkshire, but not according to rateable value. Anyone who expects Leeds to pay more towards the precept that will go to the policing authority to provide more policing in Kirklees under the new arrangement, will find a different attitude and separate financing.

Who will advise on the policing aspect? Will it be Her Majesty's inspector for that part or the inspectorate in London? It cannot merely be the chief constable. In west Yorkshire we are extremely fortunate with our chief constable. The force did extraordinarily well during the miners' strike, calling in outside policemen perhaps only once. The policing was carried out with great sympathy and understanding, and I am extremely proud of the West Yorkshire police. I used to be responsible for practical policing, and I am extremely concerned about the West Yorkshire police because, apart from reading little bits in the newspapers, I do not know what is going on.

It is important not to put too much power in the hands of the Home Office. We should not allow abolition to become a ratchet step towards a national police force. What matters are local police forces and local committees. The only reason I have spoken tonight is that we have heard so little about the effect of the changes. It would be much better to allow elected representatives from the district councils to take part in police planning, because they will know far more about local needs than will any appointed person. We should remember the mistakes that the hon. Member for Hampstead and Highgate agrees were made in the past. It is one thing to get the drainage system wrong; it will be bad for west Yorkshire if police operations are arranged badly as a result of this aspect of local government reform. I agree with my hon. Friend for Blackburn (Mr. Straw) that elected local representatives should sit on the residuary bodies.

The Minister of State, Home Office (Mr. Giles Shaw): With the leave of the House, I shall comment on the interesting points made by the right hon. Member for Morley and Leeds, South (Mr. Rees). I assure him that the residuary bodies will have no relationship with the police. The police will be governed by the joint boards that are established by the Bill. It might help the right hon. Gentleman to know that, in relation to west Yorkshire, to which he and I are completely devoted, the arrangements of the joint board will allow representation from each of the district councils in the area. There will be five representatives from Bradford, two from Calderdale, two from Kirklees, eight from Leeds and three from Wakefield, in addition to which there will be 11 magistrates.

I should also inform the right hon. Gentleman that the arrangements for the provision of the police will not alter geographically, and that the arrangements for the tripartite system will remain intact—the 50 per cent. funding from the local authorities, which will be precepted by the joint board on to the individual districts, and the 50 per cent. central Government funding.

Although the police authority will be a different body, it will still be formed largely of district council representatives and magistrates under the general Home Office arrangement that pertains now. The arrangement in west Yorkshire will run as well as it does today.

Mr. Merlyn Rees: For three years, the finances of the body, which, as the Minister of State rightly said, is not the residuary body, will be controlled by the Home Office.

Mr. Shaw: The right hon. Gentleman is right to say that, for three years, the Home Secretary has a residuary power to oversee the financial arrangements, should he be so minded, but it is hoped that the arrangements in relation to the efficiency and operation of the force will not require that intervention.

Mr. David Ashby (Leicestershire, North-West): Although I represent a Leicestershire constituency, before I came to the House I was a member of the Greater London council for four years, during which time I chaired the housing committee and assisted in the dispersal of the housing stock to the boroughs. Therefore, I believe that I know something about the subject and have had much experience of the body which we are seeking tonight finally to abolish.

I wish that more members of the public knew how much support Labour Back-Bench Members are giving to their Front-Bench spokesmen tonight.

We have heard screams about lack of democracy. I expected more London Members to be on the Opposition Benches which are almost empty except for that occupied by the chairman of the GLC—I presume that he is called "chair" not "chairman".

Mr. Snape: How long has the hon. Gentleman been there?

Mr. Ashby: Longer than the hon. Member for West Bromwich, East (Mr. Snape). In my days the chair of the GLC was made of bog oak. I wonder what present members feel when they address that bog oak chair and call it "chair."

When I heard the right hon. Member for Morley and Leeds, South (Mr. Rees) I thought, "These councils come and these councils go — but fortunately the services continue." I pay tribute to the high quality of GLC staff. At the officer level it was as good as we could yet anywhere in the country. It was of very high standard. I am confident that those with whom I worked will continue to serve the GLC to the end in the spirit and tradition of the service.

Mistakes have been made. Mistakes were made in 1964 and 1974. They were intended to put right local government and they are accepted as being mistakes. When the Greater London council was created in 1964 it had many responsibilities such as for ambulance services. Within a few years it had shed that service and by 1978-79 it was beginning to shed other services.

Mr. Tony Banks: The hon. Gentleman should not use the word "shed" in relation to services by county hall. To my certain knowledge the GLC, of which I have been a member for many years, has never willingly given up its services. In most cases the services have been taken from county hall by Governments of both colours.

Mr. Ashby: The hon. Gentleman is wrong. The services were given up willingly. I willingly negotiated with others the giving up to the boroughs of the GLC's

housing stock. That was willingly done. One of the greatest housing empires—260,000 houses—was handed over to the boroughs. That move was resisted, but sense prevailed and only the other day Tower Hamlets finally took the last of the housing stock into its department. In the end this was done willingly because there was a housing department for the boroughs and a housing authority for the GLC. There is no reason for such duplication.

We are talking about the 1964 Act. In that year a fundamental mistake was made. We created large boroughs and the Greater London council because it was thought that one body should represent London. That was a mistake. Having created this great council, similar to county councils, we were left with the GLC which is an anomaly.

The GLC was given wholly unnecessary duplicated powers, and after 20 years we have now reached the sorry stage of needing to abolish it.

The hon. Member for Southwark and Bermondsey (Mr. Hughes) said that he would like regional councils instead, but what would they do beyond what the boroughs already do? The same duplication would be bound to occur.

11 pm

Mr. Simon Hughes: Regional government, as most other countries of western Europe know and enjoy it, would have no duplicated powers with the boroughs. Powers would be devolved to it which are now exercised from Whitehall but which are better exercised at a regional level, leaving to the boroughs the services which are best run at a level closer to the people who use them.

Mr. Ashby: With the greatest respect, the hon. Gentleman knows that that is nonsense. In other European countries the boroughs do not have the powers that ours have. Our boroughs have education responsibilities but in almost every other European country those responsibilities are carried by the state. I cannot see what additional powers a regional authority would have apart from one or two wider planning functions which could be dealt with just as effectively by regional conferences as and when required rather than by setting up a regional authority with a vast bureaucracy to support it.

Mr. Tony Banks: I am trying to follow the hon. Gentleman's argument carefully because I know him to have been a reasonable person as a GLC member, although something seems to have happened to him since then.

The hon. Gentleman spoke of services being willingly given up the GLC. He knows that the GLC never willingly gave up its responsibilities for water and sewerage services, ambulance services or transport. As for duplication, why was transport taken from the GLC? Where was the duplication there?

Mr. Ashby: Responsibility for transport was given to the GLC late in its life, in the mid-1970s——

Mr. Snape: It was in 1968.

Mr. Ashby: I thought that it was a little later. At any rate, London Transport was run with great difficulty by the GLC and the end of the GLC's responsibility for transport came when we saw people being appointed to the board on a purely political basis, people with no ability to run anything, and the whole thing became a farce. The Government then rightly took back what had been given because London Transport was not being run properly for the benefit of the people of London. Like most Conservative Members, I use public transport in London. As chairman of the GLC the hon. Gentleman uses his limousine most of the time, but some of us have to use public transport and it is being run as well now as it ever was under the Conservative administration at county hall. I cannot see that anything has altered.

Mr. Snape: The fares have gone up.

Mr. Ashby: How many of the items covered by the residuary bodies have ever appeared on a GLC agenda or even on a GLC committee agenda in their own right? None have appeared more than once in every four or five years. Why do we have to have a special body to deal with an administrative matter? Why do we have to turn discussion of these residuary matters into a great big talking shop? The Labour party has endeavoured feverishly to put across the Government's actions as anti-democratic.

Mr. Nellist *rose*——

Mr. Ashby: The alternative to the GLC would be abolition of the boroughs. That would be the only way in which to have unwasteful government. One can imagine the hue and cry from Opposition Members if we tried to do that and equate London with electricity councils.

If Londoners could remember some of the Labour actions, they would appreciate the need to abolish the GLC. I remember a marvellous occasion—Her Majesty the Queen's silver jubilee. It was a time of great rejoicing in the capital and many people were out in the streets enjoying themselves. In the same year, the Conservatives gained control of County hall. Before that, however, the Labour GLC was asked if it would like to present a loyal address to Her Majesty. It told Buckingham palace that, if she wanted a loyal address, she should drive up to County Hall and get it for herself. That was a disgraceful action and when we came to power, we apologised to Buckingham palace and went to present a humble address. We have witnessed such political action time and again. The Labour party wants people who acted in that way to run residuary services, not to ensure that they are wound up but to see that they are built up.

Mr. Nellist: The hon. Member for Leicestershire, North-West (Mr. Ashby) spoke of political actions. The possibility of people being disrespectful to the monarchy seemed rationale enough to him to stop them, being put on residuary bodies. When the Government introduced these measures 18 months ago, we were assured that it had nowt to do with the political colour of people on elected authorities who might be members of successor bodies. It was all to do with economics. It was all about unnecessary tiers of government. Now we hear the malicious voice of this Tory Government. It is about the fear of changing political attitudes in this country and what can happen to bodies in the future.

The hon. Member for Leicestershire, North-West categorised the bodies under discussion in this set of amendments as inconsequential. He spoke about matters as not coming up once in five years in normal council or county council agendas. Once the Bill is passed, the matters under discussion will be compensation, hard debts inherited from the metropolitan county and the former GLC and staffing transfers. They will talk about things like property. The hon. Member may not be aware, but when the West Midlands county council was set up some 11

[Mr. Nellist]

years ago, it took 10 years to sort out the amalgamation of the property rights of the seven district councils which were the constituent bodies of the now West Midlands county council. We are not talking about a seven-way amalgamation but about a 195 way split, and these bodies are going to have full agendas in the future trying to sort out who owns the different houses and the different bits of property presently under the ownership of the metropolitan counties and the GLC.

Mr. Tony Banks: Is the hon. Member aware that at County Hall there is still litigation pending on claims outstanding from the LCC-GLC reorganisation in 1965?

Mr. Nellist: The point made by my hon. Friend the Member for Newham, North-West (Mr. Banks) about the 20-years litigation which is still to be resolved, shows the seriousness of the discussion we are having and it ought to be treated seriously by Tory Members. I want to deal with the staffing implications of this clause and its implications in general.

I declare an interest, though it should not be necessary to do so, given the length of time this Bill was in Committee, in that I am a member of the West Midlands county council. I come from a region with well over one-third of a million people unemployed, where one in three families are on supplementary benefit. I come from a city where the unemployment level is 25 per cent. I have one ward in my constituency where the unemployment rate is over 50 per cent.

Here we are in the last 49 minutes of a discussion, and in my area 6,800 people presently working for the West Midlands county council, and tens of thousands who work for the GLC and the county councils in the other five metropolitan areas, still do not know what will happen to their jobs. The 6,800 people working for the West Midlands county council have, in the last two years, seen their lives being shattered by this Bill. Eighteen months ago they listened to the Secretary of State, who has not graced us much with his presence in this debate, though his Minister is still on the Bench, talking about saving £120 million. Now it is down to £100 million. He talked about cutting 9,000 jobs, but the latest figure is 7,100 and still we have not heard from any spokesman, official or unofficial of this Tory Government, on how they arrived at those figures. What is the breakdown county by county or service by service? We had to drag it out of certain Ministers in Committee. The fire service and the police service were not supposed to be having any staffing cuts, but still we have not heard whether that is true for clerical workers as well as for operational staff.

We have heard that cuts are not anticipated in waste disposal and archives, but our consumer services and coroners may cost more. Towards the end of the Committee stage it became clear that highways, planning and administration were the only services the Tories would target. We ought to be aware, as are working people outside this Chamber, that in some of the metropolitan county areas those three Services, if the Government are to meet the 7,100 target nationally for job cuts in this Bill will be making a 35 or 40 per cent. cut in staffing. Is that the real figure? The Minister of State has the opportunity to come to the Dispatch Box now and put at rest the minds of those workers up and down the country who are affected by this clause and the other clauses on staffing. I will give him a chance. What services and which areas of the county are going to be affected by this Bill? The Minister does not know.

Mr. Holt *rose*——

11.15 pm

Mr. Nellist: I am not giving way after what I have been through today. The Minister is not taking the opportunity that I am offering him. Some Conservative Members have said that the figures cannot be given because trade unionists employed in the councils and the elected leadership of those councils have not co-operated with the Tory Government and given the necessary information. How, therefore, did the original targets come about? How did the Government arrive at the figures of £100 million and 7,100 if they did not have the information?

Mr. Tony Banks: They made them up.

Mr. Nellist: As my hon. Friend reminds me, those figures were made up. Between the Royal Assent and March or April next year people will be asked to do three jobs as a result of the amendment that we are discussing. They will be asked to continue to provide the services that they were contracted to provide. They may be asked to work for a quango, a residuary body or a district council, and they will be asked to provide information to other quangos and Ministers. Those people are working under stress. About 400 workers have left the West Midlands county council during the past 10 months. We are seeing the beginning of the disintegration of some specialist teams. I shall not go into this in detail now and I did not have time to do so a couple of hours ago, but the specialist teams under threat are those engaged in toxic and hazardous waste disposal, the chemists, the biologists, and the hydrogeologists. They are the people who have the skills to deal with matters on a countywide basis. It is the rearrangement of services that the amendment deals with that worries me.

Mr. Holt *rose*——

Mr. Nellist: I shall not give way, because I have nearly finished. The hon. Gentleman can follow me. This provision is not designed solely to meet the political targets that were dreamed up by Tory Ministers two or three years ago, it is a preparation for privatisation. It is no accident that during the past 18 months that we have debated this matter, we have seen, although not necessarily heard from, those Tory Members whose directorships and consultancies are with the firms that would like to take the pickings from the dismemberment of the metropolitan county councils and the GLC, in the form of such services as those dealing with private waste disposal and highway construction and some aspects of transport. Those Tory Members also disagree with the political policies of the elected leadership of the metropolitan county councils.

We have been told that no breakdown is available of the figures to show how the jobs will go if the Bill completes its passage through the House tonight. Abolition will cost millions of pounds more. Some people say that in the metropolitan county council area it will cost up to £69 million a year more to provide the level of services that is being provided now. All those services will deteriorate and people will lose their jobs.

The Labour party warns the House that that will all be changed when the Goverment are changed within the next

year or two. The Bill is not about abolishing the functions of the metropolitan county councils and the GLC but about abolishing councillors and their elected leadership. It is about abolishing the rights of 18 million people to elect the leadership of the metropolitan county councils and the GLC. The lessons learnt over the past 18 months during the passage of the Bill have been absorbed by working people, by those who work for the county councils and the trade unions who represent them. Those lessons will rebound on this Tory Government when we have a change of Government in the next year or so.

Mr. Wareing: When discussing the composition of the residuary bodies the Government are under an obligation to answer the many unanswered questions that have been asked in the House and the other place. We have not discussed economic development at great length when we have talked about the allocation of services among the districts, the joint boards and the residuary bodies.

Labour-controlled county councils have endeavoured to deal with the major social problem of mass unemployment. Since 1979, 700,000 redundancies have been created in the metropolitan area and the number of jobless has doubled to over 869,000. Seventeen per cent. of the work force in the metropolitan areas is unemployed. Many of these areas have an aging infrastructure and aging industries. Youth unemployment amounts to over 344,000 and the figure for the long-term jobless is well over 25,000. In those areas the economic development committees of local authorities have either saved or created 45,000 jobs and at an average of £600 per job this is far more cost effective than any of the regional programmes undertaken by either the Conservative Government or the previous Labour Government.

In areas such as Merseyside people have a right to know whether the residuary body will take over some responsibility for economic development companies, subsidiary companies like enterprise boards, and the Merseyside innovation centre, for example, which attempts to apply new technology to industry. We have the right to know whether or not the residuary body will have some scope in that particular area, because people's jobs depend on it. Small businesses depend upon the assistance of various economic development committees in the metropolitan areas.

I am the last person to promote the idea of a residuary body, but if there is to be a residuary body we should be talking about democratic county authorities. Even though I am not normally in accord with some of the economic ideas of the hon. Member for Southwark and Bermonsey (Mr. Hughes), we should be discussing the take-over by democratic authorities of regional facilities, such as water, area health authorities and gas and electricity distributive services. We should be talking about the spread of democracy, but in this last period of debate we have only the left-overs.

If a joint committee for Merseyside were established, and assuming that the district councils had a say in the appointment of its members, it would ask the Government why they are fragmenting the arts and culture services of Merseyside. As hon. Members know, like the GLC area, Merseyside has been allocated a trust which will take over certain museums and art galleries. Earlier this year Lord Gowrie reported in another place that the Croxteth country park and Croxteth hall, which are in the centre of my constituency, and Speke hall, which is in the constituency of my hon. Friend the Member for Liverpool, Garston (Mr. Loyden), would be transferred not to the trust but to the Liverpool city council. It has been said these are not museums of national significance, but what would be the cost to Liverpool?

The crisis which is facing the city of Liverpool has been brought about by the Government's financial constraints. There may be legal difficulties in transferring Speke hall to the Liverpool city council, as it is presently owned by the National Trust, although maintained by Merseyside county council, but Croxteth country park has undoubtedly been developed by Merseyside county council since 1974 in a way that would have been impossible for the Liverpool city council. The Earls of Sefton left the Croxteth estate to the Liverpool city council in the 1960s, and because of the expense involved they found great difficulty in renovating the hall and the area.

The county council has established a visitors' centre, and opened to the public the principal rooms in the hall, opened a rare breeds farm and a riding centre and developed the gardens surrounding this delightful spot, right in the centre of both Merseyside and my constituency. It has been listed by the English tourist board as among the top 20 fast-growing attractions in the country. The country park has recently received the Sandford award for heritage education for its highly successful educational programme. Many schemes have been presented, and much advice has been given by the Countryside Commission.

Some £1 million has been spent on a restoration programme at Speke hall, and the number of visitors to both these halls was above average in a time of recession. I appeal to the Government that, regardless of the difference between us in our reaction to local government reorganisation, they should be looking yet again at Croxteth country park and Speke hall. I hope that the Government will look on the amendment with some sympathy, and that the advice that Liverpool city council is unable to maintain and restore both Croxteth and Speke hall will be accepted.

The danger on Merseyside is that a real asset and part of Merseyside's heritage will simply disappear from the enjoyment not only of Merseysiders, but of people from all over the world, as was shown during the international garden festival. I ask the Minister to think again before he allows to go to seed the good work that has been done over the past 10 years by the Merseyside county council with these assets that are so vital to the people of the region.

Mr. Tony Banks: I am glad that the hon. Member for Hampstead and Highgate (Sir G. Finsberg) has returned, because I shall direct a few remarks to him. He could not have been more wrong when he suggested that I did not have the same sort of respect for the office of chairman of the GLC as either past holders of that office or past leaders of the GLC. He mentioned Sir Isaac Hayward. He will have known that person for more years than I did, but I had the pleasure of meeting him and talking to him on a number of occasions. I like to think that many of the finer points of local government that are enshrined within the GLC are attributable to the standards that Ike Hayward laid down. Although the policies are different, the same standards are being pursued by the present leadership of the GLC. If the hon. Gentleman gets a hint of resentment in my comments, he will, in this case, be correct.

[Mr. Tony Banks]

There is little chance that the London residuary body or the successor bodies will be able to complete abolition and take-over by 1 April 1986. The reasons are clear. Nobody knew what the shape of the Bill would be. During its passage throught Parliament it has been dramatically and fundamentally altered. Staggering changes have been made since "Streamlining the Cities" was published. How could anybody work out what would have happened? We cannot be completely sure, even at this stage. Many hon. Members believe that this is the end of the matter, but the amendments that we have made will go the House of Lords where I feel there will be a backlash. The Bill will then be returned to this House, so we are reaching only the end of another stage in its passage. The Bill contains provisions relating to the implementation of all sorts of orders, so the ramifications of the abolition of the Greater London council and the metropolitan county councils will continue to occupy the attention of the House until 31 March 1986.

11.30 pm

We heard earlier about the position of staff in the GLC and the metropolitan county councils. The staff of the GLC are in an extremely peculiar position. Between August and 1 April 1986 the staff of the GLC will be trying to perform three jobs. First, they will continue to carry out the services and functions of the GLC. Secondly, they will be working directly for a single borough council or a quango. Thirdly, they will have to answer requests for information from the 31 other boroughs, quangos or Ministers who will still be showering county hall with requests. Large numbers of staff will be transferred to the successor bodies, or they will be sacked. My hon. Friend the Member for Coventry, South-East (Mr. Nellist) tried to get the Minister to say how many members of staff will be made redundant, but he was given no answer. The staff commission has been remarkably quiet. Perhaps we could be told what is happening. It has not been involved in implementing the transfer of staff and shows little sign of having made any plans. Local government will be thrown into complete confusion. The position is bad enough now, but it will get even worse between August and 31 March.

It is not surprising, given the uncertainties, that the GLC is losing a number of its key staff. Not unnaturally, they are thinking about their future careers, their family commitments and their mortgages. That is a normal human response to the problem that the Government have inflicted upon them, and it makes it even more difficult for the GLC and the metropolitan county councils to maintain the services that they are statutorily obliged to maintain until 31 March 1986.

Moreover, the future financial structure of London's government is still uncertain and will remain uncertain until, at the very earliest, December 1985. The boroughs will be unable to decide upon the level of funding of their services until they know their expenditure targets and grant related expenditure assessments, the level of rate capping, where that is appropriate, and the details of the London equalisation scheme. London boroughs will have just three months in which to plan their policies, appoint their staffs and get organised. It is a hopelessly unrealistic timetable. It would assist the boroughs and the residuary bodies if the Department of the Environment could give advice, but the civil servants are clearly driving by the seats of their trousers because they do not know what the future holds and are making it up as they go along, just as the Government have made it up during the passage of this shameful Bill. The quangos, preparatory committees and joint authorities will not even meet until September, so they will have a maximum of seven months to try to implement the change-over.

I suppose that new office accommodation will be found for the London residuary body. In answering one of the few questions that I tabled, the Minister said that County hall might be used as accommodation for the London residuary body. That answer conflicts with another statement that County hall will be sold. Perhaps it will be sold to fund one of the charitable off-shore institutions that Ministers are hoping to set up.

We need answers to these questions. Although we have asked them many times, we have not yet been given satisfactory answers. The files, computer programs, information sytems and legal records that are with the GLC will have to be routed to scores of different destinations and made compatible with the information of the receiving bodies.

Proper joint working arrangements will have to be established, involving the creation of a consensus among the 32 London boroughs of differing political complexions on the polices to be pursued and the level of services to be given. The electorate has given no mandate or guidance on these matters. The Secretary of State will have to give guidance and make decisions on hundreds of local government issues when his civil servants have no direct experience or qualifications to enable them to do so. We have seen how true that is by noting the way in which the bill has been changed during its passage. It bears little relationship to the original legislation. The House is being asked to agree a dog's breakfast of a Bill.

Sorting out all the legal tangles that are involved in local government will cause many problems. We cannot dispose of major institutions and expect no legal problems. The successor body arrangements are not straightforward. We should remember what happened when the GLC was established. We cannot expect major disputes in the courts to drag on for ages.

We have heard a great deal about the co-operation between boroughs that will be forthcoming. My deputy chairman at county hall, the estimable Sandy Sandford, is a good Tory who is wholly opposed——

Mr. Corbyn: There is no such thing.

Mr. Banks: There is. I know at least two good Tories. I admit that one of them is now dead, Sandy Sandford says that there will not be voluntary co-operation, even between Tory boroughs. He speaks as a former chairman of planning at Westminster. He says that the worst problem that he ever had was not with Labour boroughs but in trying to achieve voluntary co-operation with the true blue Tory borough of Kensington and Chelsea. The Minister deceives himself and the House if he thinks that there will be much voluntary co-operation among the boroughs in London or among the districts in the metropolitan counties. It is interesting to note that litigation is still outstanding on the LCC-GLC re-organisation in 1965.

I cite one final statistic in a debate that has roamed wider than I expected. I am grateful for that. The GLC owns 12,234 properties and pieces of land. The legal documents relating to that ownership occupy four miles of

shelving. We do not have the time between now and 31 March even to dust all the files in four miles of shelving, never mind come back with an easy transition to the 175 successor bodies that the Minister claims will streamline the structure of local government in London and the metropolitan counties.

The Bill is now more of a mess than when it started its passage through Parliament. The fault for that lies entirely with the Government Front Bench and the people who have supported them because little or no thought went into the proposal. Therefore, the confusion that will undoubtedly come from the enactment of the Bill will be entirely of the Government's making, and they will live to rue the day.

Mr. Kenneth Baker: It is perhaps appropriate that the last speech to be made from the Opposition Benches in the long parliamentary proceedings of the Bill should be made by the present and, indeed, the last, chairman of the GLC.

Mr. Banks: Chair.

Mr. Baker: Chair. I am sorry. The hon. Member has been a consistent opponent of the measure. In one little aside a moment ago, he referred to one of the few questions which he has put to my Department on the measure. One of the few questions? He asked well over 1,000 questions on the measure, costing the Government tens of thousands of pounds—he is the last of the big Oscars. He has certainly applied himself with energy to defending the GLC, and I will recognise that fact.

We are now in almost the 340th hour of debate on the measure, including the time spent in the other House. It has been very lengthily debated at all stages—one of the longest Bills for debate that we have had for many years.

The hon. Member for Blackburn (Mr. Straw), in moving the amendments, thanked all those people who had been briefing him over the last year or 18 months. It was a good briefing. We occasionally saw bits of it. It was certainly intense and voluminous. There was a team of 27 from the GLC working on it, I understand. I thought that the work provided by the metropolitan counties was of a better quality, and, for my money, better work. None the less, it was impressive, and, as he rightly said, it is rather unusual with any Bill going through the House for the Opposition to be as well briefed as Ministers.

There was great talk about the destruction of things —the destruction of services and of activities. The one thing that gave me some little pleasure as the Bill was going through and as I looked upon the serried ranks of the PR people in the galleries was that we were destroying the client base of many PR firms by abolishing the metropolitan counties, for they have benefited enormously from this exercise. Indeed, one of the features of this operation is the vast amount of money which has been spent on advertising, some £10 million, and in the course of the last few days, another £95,000 on four-page advertisements in the press.

Mr. Snape: In the midst of these strictures, will the Minister bear in mind that he might be doing a great deal of financial damage to many of his right hon. and hon. Friends?

Mr. Baker: My strictures are the same, whether I afflict my friends or my enemies, when I come to the enormous amounts of money which I think has been wasted in the PR campaign of the metropolitan counties.

If I may remind the House of the purpose of the amendments the Lords amendment allowed the co-ordinating committees to appoint one member, who would obviously be a councillor, to serve on the residuary body. The hon. Member for Blackburn, in moving the amendment some two hours ago, sought to say that all 10 members of the residuary body should be elected councillors. I would resist that. He is aware, but other hon. Members may not be, of the role of the residuary bodies. It is to operate exactly as the residuary legatee of the six metropolitan counties and of the GLC. It is there to wind up the functions such as management of the debt, management of the mortgage book and management of superannuation schemes and pension schemes, continuing functions which, in some cases, as regards the metropolitan counties, could well be taken over by lead boroughs. There is talk of co-operation or lack of it, but outside London I am well aware of various fairly secret discussions which have been taking place among Labour districts where they will volunteer——

Mr. Snape: Name them.

Mr. Baker: They do not like to be named for the simple reason that it is still the official policy of the Labour party not to co-operate. It is the official policy of the national executive not to co-operate. It is the official policy of the TUC not to co-operate. We know that many plans are being laid and that some of the functions which may go to the residuary body in London will be done by lead boroughs in the other metropolitan areas.

I support what the hon. Member for Southwark and Bermondsey (Mr. Hughes) said about the need for co-operation. Contrary to what the hon. Member for Newham, North-West (Mr. Banks) said towards the end of his speech, the Government and the Staff Commission will not be to blame if there is no co-operation. Hostility has been engendered by certain unions but not by all. Some branches of some unions have been hostile, but not all, and have refused to co-operate with the commission or ourselves. The commission has opened discussions with many unions. It has already issued six circulars defining ring fencing. I have heard today that certain Labour-controlled London borough councils will refuse to comply with ring fencing unless directed by the Secretary of State. I understand that one of the west midlands district councils has decided not to co-operate, under pressure from the unions.

It is not in the interests of council staffs or union members to take that attitude. When the Bill receives the Royal Assent—I hope that that will take place next week—I hope that attitudes will change and that there will be co-operation on the part of boroughs, district councils and unions. Some branches of unions have seen me. The west midlands NALGO branch has talked and there has been a series of fruitful meetings and discussions with it. I have talked also to some of the staff associations. That is the way forward.

My right hon. Friend the Secretary of State has written to Mr. Jarvis, the chairman of the trades union local government committee. He wrote:

> "We remain willing to open negotiations with your member local government unions. There are matters on which we are prepared to be flexible in the expectation that your member unions will come to the negotiating table in a constructive and realistic way."

I hope that, now the Bill is almost on the statute book, there will be a change of heart among the unions which are

[Mr. Baker]

still sticking out to oppose it. Members on both sides of the House are concerned about the interests and well-being of the staff. We have already made arrangements through some of the amendments in another place to arrange early retirement schemes for the successor authorities so that they can take on more of the staff of the authorities that are to be abolished.

In the way forward, as we move towards the date——

Mr. Nellist *rose——*

Mr. Baker: If the hon. Gentleman will allow me to continue. As we move towards the date of abolition, which will be 31 March 1986——

Mr. Nellist *rose——*

Mr. Baker: —I hope that the transition will be smooth, as that will be in the interests of the residents of all the conurbations that will be affected, and of London. It will be in the interests of the ratepayers of those areas and in the interests of the staff of the authorities that will be abolished. I hope that that co-operation will come about.

Question put, That the amendment be made:—

The House divided: Ayes 188, Noes 316.

Division No. 261] **11.48 pm**

AYES

Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashdown, Paddy
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bell, Stuart
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Coleman, Donald
Conlan, Bernard
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Cunliffe, Lawrence
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gould, Bryan
Hamilton, James *(M'well N)*
Hancock, Mr. Michael
Hardy, Peter
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Howells, Geraint
Hoyle, Douglas
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
Jenkins, Rt Hon Roy *(Hillh'd)*
John, Brynmor
Johnston, Sir Russell
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilroy-Silk, Robert
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lambie, David
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Edward
McCartney, Hugh
McDonald, Dr Oonagh
McKelvey, William
Maclennan, Robert
McNamara, Kevin
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meadowcroft, Michael
Michie, William
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Ross, Stephen *(Isle of Wight)*
Rowlands, Ted
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Steel, Rt Hon David
Stott, Roger
Strang, Gavin
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Wallace, James
Wardell, Gareth *(Gower)*
Wareing, Robert
White, James
Williams, Rt Hon A.
Winnick, David
Woodall, Alec
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Allen McKay and
Mr. Frank Haynes.

NOES

Adley, Robert
Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Ancram, Michael
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baldry, Tony
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Benyon, William
Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blaker, Rt Hon Sir Peter
Body, Richard
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buck, Sir Antony
Budgen, Nick
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Colvin, Michael
Coombs, Simon

Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Glyn, Dr Alan
Goodlad, Alastair
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Grylls, Michael
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irving, Charles
Jenkin, Rt Hon Patrick
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Knowles, Michael
Lamont, Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McQuarrie, Albert
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Mitchell, David *(NW Hants)*
Moate, Roger
Montgomery, Sir Fergus
Moore, John
Morris, M. *(N'hampton, S)*
Moynihan, Hon C.
Mudd, David
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Parris, Matthew
Patten, J. *(Oxf W & Abdgn)*
Pattie, Geoffrey
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Price, Sir David
Proctor, K. Harvey
Pym, Rt Hon Francis
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Malcolm
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speller, Tony
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Walden, George
Walker, Bill *(T'side N)*
Walker, Rt Hon P. *(W'cester)*
Wall, Sir Patrick
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Tristan Garel-Jones and
Mr. Archie Hamilton.

Question accordingly negatived.

It being after Twelve o'clock, MR. DEPUTY SPEAKER *proceeded, pursuant to the order of the House this day, to put the Questions necessary for the disposal of the business to be concluded at that hour.*

Schedule 6

WASTE REGULATION AND DISPOSAL

Lords amendment: No. 73, leave out schedule 6.

Motion made, and Question put, That this House doth disagree with the Lords in the said amendment.—*[Mr. Patrick Jenkin.]*

The House divided: Ayes 320, Noes 187.

Division No. 262] **[12.01 am**

AYES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Ancram, Michael
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony

Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blaker, Rt Hon Sir Peter
Body, Richard
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buck, Sir Antony
Budgen, Nick
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Glyn, Dr Alan
Goodlad, Alastair
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hickmet, Richard
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irving, Charles
Jenkin, Rt Hon Patrick
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Knowles, Michael
Lamont, Norman
Latham, Michael
Lawler, Geoffrey
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McQuarrie, Albert
Madel, David
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Mitchell, David *(NW Hants)*
Moate, Roger
Montgomery, Sir Fergus
Moore, John
Morris, M. *(N'hampton, S)*
Moynihan, Hon C.
Mudd, David
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parris, Matthew
Patten, J. *(Oxf W & Abdgn)*
Pattie, Geoffrey
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Price, Sir David
Prior, Rt Hon James
Proctor, K. Harvey
Pym, Rt Hon Francis
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Malcolm
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speller, Tony
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Walden, George
Walker, Bill *(T'side N)*
Walker, Rt Hon P. *(W'cester)*
Wall, Sir Patrick
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. John Major and
Mr. Ian Lang.

NOES

Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashdown, Paddy
Ashton, Joe
Atkinson, N. *(Tottenham)*

Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bell, Stuart
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Coleman, Donald
Conlan, Bernard
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Cunliffe, Lawrence
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gould, Bryan
Hamilton, James *(M'well N)*
Hancock, Mr. Michael
Hardy, Peter
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Howells, Geraint
Hoyle, Douglas
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
Jenkins, Rt Hon Roy *(Hillh'd)*
John, Brynmor
Johnston, Sir Russell
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilroy-Silk, Robert
Kirkwood, Archy
Lambie, David
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Edward
McCartney, Hugh
McDonald, Dr Oonagh
McKelvey, William
Maclennan, Robert
McNamara, Kevin
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael
Michie, William
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Ross, Stephen *(Isle of Wight)*
Rowlands, Ted
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Steel, Rt Hon David
Stott, Roger
Strang, Gavin
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Wallace, James
Wardell, Gareth *(Gower)*
Wareing, Robert
White, James
Williams, Rt Hon A.
Winnick, David
Woodall, Alec
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. Frank Haynes and
Mr. Allen McKay.

Lords amendment No. 69 agreed to. [Special Entry.]

Schedule 5

Road Traffic

Lords amendment: No. 70 in page 120, line 41, leave out from "(5)" to "or" in line 46 and insert

"Any expenses reasonably incurred by the Secretary of State in exercising the functions transferred by an order under this paragraph may be recovered by him from the local authorities from which the functions were transferred in such proportions as may be agreed between the local authorities"

Motion made, and Question put, That this House doth agree with the Lords in the said amendment.—*[Mr. Patrick Jenkin.]*

The House divided: Ayes 322, Noes 183.

Division No. 263] **[12.13 am**

AYES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Ancram, Michael
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blaker, Rt Hon Sir Peter
Body, Richard
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buck, Sir Antony
Budgen, Nick
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy

Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Glyn, Dr Alan
Goodlad, Alastair
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irving, Charles
Jenkin, Rt Hon Patrick
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Knowles, Michael
Lamont, Norman
Latham, Michael
Lawler, Geoffrey
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McQuarrie, Albert
Madel, David
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Mitchell, David *(NW Hants)*
Moate, Roger
Montgomery, Sir Fergus
Moore, John
Morris, M. *(N'hampton, S)*
Moynihan, Hon C.
Mudd, David
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Parris, Matthew
Patten, J. *(Oxf W & Abdgn)*
Pattie, Geoffrey
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Price, Sir David
Prior, Rt Hon James
Proctor, K. Harvey
Pym, Rt Hon Francis
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Malcolm
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speller, Tony
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Walden, George
Walker, Bill *(T'side N)*
Walker, Rt Hon P. *(W'cester)*
Wall, Sir Patrick
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Ian Lang and
Mr. John Major.

NOES

Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashdown, Paddy
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bell, Stuart
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Coleman, Donald
Conlan, Bernard
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Cunliffe, Lawrence
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement

Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gould, Bryan
Hamilton, James *(M'well N)*
Hancock, Mr. Michael
Hardy, Peter
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Howells, Geraint
Hoyle, Douglas
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
Janner, Hon Greville
Jenkins, Rt Hon Roy *(Hillh'd)*
John, Brynmor
Johnston, Sir Russell
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilroy-Silk, Robert
Kirkwood, Archy
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Edward
McDonald, Dr Oonagh
McKelvey, William
Maclennan, Robert
McNamara, Kevin
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael
Michie, William
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Ross, Stephen *(Isle of Wight)*
Rowlands, Ted
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Steel, Rt Hon David
Stott, Roger
Strang, Gavin
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Wallace, James
Wardell, Gareth *(Gower)*
Wareing, Robert
White, James
Williams, Rt Hon A.
Winnick, David
Woodall, Alec
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. Frank Haynes and
Mr. Allen McKay.

Question accordingly agreed to. [Special Entry.]

Motion made, and Question put, That this House doth agree with the remaining Lords amendments. — *[Mr. Patrick Jenkin.]*

The House divided: Ayes 320, Noes 185.

Division No. 264] **[12.26 am**

AYES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Ancram, Michael
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blaker, Rt Hon Sir Peter
Body, Richard
Bonsor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buck, Sir Antony
Budgen, Nick
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Glyn, Dr Alan
Goodlad, Alastair
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Heathcoat-Amory, David
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irving, Charles
Jenkin, Rt Hon Patrick
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Knowles, Michael
Lamont, Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McQuarrie, Albert
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marshall, Michael *(Arundel)*

Mates, Michael
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Mitchell, David *(NW Hants)*
Moate, Roger
Montgomery, Sir Fergus
Moore, John
Morris, M. *(N'hampton, S)*
Moynihan, Hon C.
Mudd, David
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Parris, Matthew
Patten, J. *(Oxf W & Abdgn)*
Pattie, Geoffrey
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Price, Sir David
Prior, Rt Hon James
Proctor, K. Harvey
Pym, Rt Hon Francis
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Malcolm
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speller, Tony
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Walden, George
Walker, Bill *(T'side N)*
Walker, Rt Hon P. *(W'cester)*
Wall, Sir Patrick
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Carol Mather and
Mr. Robert Boscawen.

NOES

Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashdown, Paddy
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bell, Stuart
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Coleman, Donald
Conlan, Bernard
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Cunliffe, Lawrence
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gould, Bryan
Hamilton, James *(M'well N)*
Hancock, Mr. Michael
Hardy, Peter
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Howells, Geraint
Hoyle, Douglas
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
Jenkins, Rt Hon Roy *(Hillh'd)*
John, Brynmor
Johnston, Sir Russell
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilroy-Silk, Robert
Kinnock, Rt Hon Neil
Kirkwood, Archy
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Edward
McDonald, Dr Oonagh
McKelvey, William
Maclennan, Robert
McNamara, Kevin
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael
Michie, William
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Ross, Stephen *(Isle of Wight)*
Rowlands, Ted
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Steel, Rt Hon David
Stott, Roger
Strang, Gavin
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Wallace, James

Wardell, Gareth *(Gower)*
Wareing, Robert
White, James
Williams, Rt Hon A.
Winnick, David
Woodall, Alec
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. Frank Haynes and
Mr. Allen McKay.

Question accordingly agreed to.

Lords amendments Nos. 49 to 68, 71, 72, and 74 to 98 agreed to.

Ordered,

That a Committee be appointed to draw up Reasons to be assigned to the Lords for disagreeing to certain of their amendments.—*[Mr. Patrick Jenkin.]*

Ordered,

That Mr. Secretary Jenkin, Mr. Kenneth Baker, Mr. Tim Sainsbury, Mr. Peter Snape and Mr. Jack Straw be members of the Committee.—*[Mr. Patrick Jenkin.]*

Ordered,

That Three be the Quorum of the Committee — *[Mr. Patrick Jenkin.]*

Ordered,

That the Committee do withdraw immediately. — *[Mr. Patrick Jenkin.]*

EUROPEAN COMMUNITY DOCUMENTS

Observation of transport markets

Motion made, and Question put forthwith pursuant to Standing Order No. 80(5) (Standing Committees on European Community documents.)

That this House takes note of European Community documents Nos. 12451/80 and 9826/84 concerning observation of markets for freight transport by road, rail and inland waterway and of the Department of Transport's explanatory memorandum of November 1984; and supports the Government's opposition to the proposal to make the market observation system permanent.—*[Mr. Durant.]*

Question agreed to.

STATUTORY INSTRUMENTS, &c.

Terms and conditions of employment

Motion made, and Question put forthwith pursuant to Standing Order No. 79(5) (Standing Committees on Statutory Instruments, &c.).

That the draft Job Release Act 1977 (Continuation) Order 1985, which was laid before this House on 18th June, be approved.—*[Mr. Durant.]*

Question agreed to.

BUSINESS OF THE HOUSE

Ordered,

That, notwithstanding the practice of the House as to the intervals between stages of Bills brought in upon Ways and Means Resolutions, more than one stage of the Finance Bill may be taken at any sitting of the House.—*[Mr. Durant.]*

LOCAL GOVERNMENT BILL (REASONS COMMITTEE)

Reasons for disagreeing to certain of the Lords amendments reported, and agreed to; to be communicated to the Lords.

Westland

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Durant.]*

12.39 am

Mr. Paddy Ashdown (Yeovil): The subject of this Adjournment debate is the future of Westland, but first the House may want to know of another future, which was established not many hours ago. I am told that at 10.20 this evening the wife of my hon. Friend the Member for Orkney and Shetland (Mr. Wallace) gave birth to a daughter, Helen Grace. I am sure that the House will wish to assure the hon. Member, his wife and Helen Grace of its best wishes.

I am grateful for the opportunity of this debate. I am also grateful to the Minister for Information Technology for his attendance, particularly in view of his past contact with Westland as Minister for Defence Procurement, and to other hon. Members who have agreed to take part in the debate and join me in supporting Westland. The hon. Member for Weston-super-Mare (Mr. Wiggin) may seek to catch your eye later on, Mr. Deputy Speaker, from the Government Benches, as may the hon. Member for Kingston upon Hull, North (Mr. McNamara) from the Labour Front Bench and my hon. Friend the Member for Isle of Wight (Mr. Ross).

It must be very nearly unprecedented to have so many hon. Members take part in an Adjournment debate. I hope that the Minister will recognise the cross-party support for Westland that this indicates. What is also, I suspect, practically unprecedented is to have such a degree of outside interest taken in such a debate at such a late hour. Nearly 40 of the Westland work force travelled up especially from Yeovil and elsewhere after work today to attend this half hour debate and to show their support for their company and their belief and pride in the work that they do.

Mr. Deputy Speaker (Mr. Ernest Armstrong): Order. The hon. Gentleman knows that he should not refer to strangers in the Gallery.

Mr. Ashdown: I apologise, Mr. Deputy Speaker, for referring to anybody who may or may not be in the Strangers Gallery. I merely wanted to show that there is support for Westland outside the House. I am sure the Minister recognises that their effort demonstrates the kind of commitment that is one of the greatest strengths of Westland.

This is at once the most difficult speech that I have made in the House and perhaps the most important. Westland is not only the pride of my community, and of others in the west of England; it is also the source of much of our prosperity. But more than that, Westland has served Her Majesty's forces as one of the nation's principal defence industries, with exceptional distinction, most recently in the Falklands, where our helicopters were recognised by all, from the Secretary of State for Defence to the ordinary Royal Marine in the field, to have been one of the principal causes of our victory.

Westland is our only national helicopter manufacturer and our only hope for major participation in the European collaborative helicopter projects of the 1990s. Westland is one of the key components of Britain's aerospace industry. It is one of our nation's first centres of the new technology. Its work force, from specialised design teams to those

[Mr. Ashdown]

using the newest technologies on the production line, is loyal, skilled, committed, proud of its work and confident that, as a team, it can keep Britain at the forward edge of world skills in the future.

In short, Westland is not just vital to Yeovil. It is vital to Britain. The first thing, the chief thing, that I want the Minister to do tonight is to say just that: to say to those listening outside that the Government believe that Westland is an important national asset and that they are committed to playing their role in maintaining the overall integrity of the company.

I know, as the Minister knows, that the Government have a confidential report confirming the importance of Westland. I know also that the Minister's Department has shown its confidence in the company by investing in the development of the W30. I know that, whatever the Ministry of Defence does, his Department will want to take whatever steps are necessary to ensure that that investment is not lost.

Why is it, then, that throughout the recent crisis we heard not one word from the Government to strengthen the company's position? Why is it that the Government stayed silent and allowed those in City boardrooms a free hand to play fast and loose with a great company's reputation and the livelihood of thousands of workers? Let the Minister tonight make good that deficiency. He knows the company's underlying strength. He knows that its long-term prospects are excellent. He knows that we have a new chairman in Sir John Cuckney. He knows that there is now, throughout Westland, a grim determination to do all that is necessary to ensure the company's future. Let the Government make their contribution tonight by committing themselves, in terms that cannot be misunderstood, to playing their part with the work force and the management to ensure that future.

Let the Minister recognise that one of the chief ways in which the Government can show that commitment is to make a decision soon about the AST404. Is it not the case that Westland has put in the most effective bid for this order? Did not its submission for an uprated W30 meet that specification in detail and in full? Is it not the case that Westland was the only British participant in the competition, and that in purchase price and running costs it was cheaper than the others by up to 30 per cent.? Is not the W30 300 series the best aircraft of its sort in the world, with considerable foreign sales potential? Is it not the case, for example, that Spain, Scandinavia and Australia are almost certainly ready to buy the Westland aircraft as soon as the British Government make up their mind?

The Minister knows that these facts are true. Why, then, just at the moment when Westland was about to put the ball in the net, have the Government allowed the Army and the Ministry of Defence to move the goal posts? Is that an appropriate way to treat a great company which has served Britain so well? I ask the Minister to give us an assurance that he will use his best endeavours to ensure that the AST404 decision is taken soon and in favour of Westland. He should realise that his answer can make a great contribution to a great company, can help sustain prosperity and jobs in the west of England, can support one of our nation's key sectors and can strengthen Britain's defence.

Westland is not seeking charity, nor special treatment —it needs neither. We are asking for a fair chance to do what we do best—make the best helicopters in the world for Britain's defence. All the ingredients are there to ensure the company's future: the product is excellent; the work force is dedicated; the management has a new look; and the determination is evident. All that is missing is a clear commitment from the Government to join us to secure that future. I ask the Minister to provide that tonight.

12.46 am

Mr. Jerry Wiggin (Weston-super-Mare): I thank the hon. Member for Yeovil (Mr. Ashdown) and my hon. Friend the Minister for allowing me to intervene briefly. I initially questioned the desirability of debating this subject tonight, but I am sure that, given the all-party agreement about which the hon. Gentleman spoke—I agreed with almost everything that he said—we can produce a positive message.

My hon. Friends the Members for Wells (Mr. Heathcoat-Amory) and for Dorset, West (Mr. Spicer) have been assiduous in supporting the view that I shall put across. I think that there is all-party agreement on the fundamental necessity for impressing upon the world Britain's confidence in its single helicopter manufacturer.

Let us be frank — Boeing, Bell, Sikorsky, Aerospatiale, Agusta and MBB have had great difficulty in selling new helicopters. Westland is no exception in supplying a product to an overcrowded market. There has been a baring of the cupboard, and that is all. There has been a revelation as a result of a well-intentioned bid, adding substantial sums of private money to the company's resources. As is the wont of the financial journalists in the City, there has been a slight fluttering in the dove cotes. That is all.

Westland is paying its bill and wages and producing the goods today as it was eight or 10 weeks ago before this incident. The company has grasped this nettle and is having a financial spring clean. There is nothing wrong with that. Westland will not be the first company to examine itself. At the moment, its bankers are standing by it, and that is good and proper.

There is no better person than my hon. Friend the Minister, with his previous experience, to know the ins and outs of the matter and the problems and benefits of Westland helicopters. They are a fine product, and the company has a fine record and fine work force. It will continue to have those advantages. I believe, from my experience, that the services do not understand the helicopter's merits. In previous speeches I have pointed out the relative views taken by other countries of this weapon.

It is all very well for Ministers to say that the services know best. I remind the Minister that the tank was devised by the First Lord of the Admiralty, who was a politician. The British Army went to war on horses in 1939, and 16 of our ships were hit by second world war aeroplanes during the Falklands war. There are moments when politicians sometimes have to know best. I could say that AST404, which was well understood for many years in the Ministry of Defence, is really a bad story of changed minds by senior people at the last minute, which leaves British industry wringing its hands. Furthermore, I pull the leg of my hon. Friend and ask: if the W30 is unsuitable for the British Army, why not offer it to South Africa? I feel that might cause troubles, and then the argument might get turned on its head.

I hope that the Indian order still comes through. It is not impossible. There are uses for this helicopter; it could be bought. There is just one small problem.

I hope that my hon. Friend will spell out a message of confidence in this great company tonight. That is all that it asks. It asks its principal customer, the Government, and its principal investor, the Government, to have confidence in Westland.

12.50 am

Mr. Kevin McNamara (Kingston upon Hull, North): I thank the hon. Member for Yeovil (Mr. Ashdown) for giving us all the opportunity to take part in the debate, and the Minister for Information Technology for conceding some of his time for it.

I join the hon. Member for Yeovil in congratulating his hon. Friend the Member for Orkney and Shetland (Mr. Wallace) on the birth of a daughter. I assure his hon. Friend that, although she might be a delight now, as girls grow older they become more troublesome, until they get married, and I am told that after that they are always a delight.

Westland is a company of which this country should be proud. It is at the forefront of aerospace technology and is the country's only helicopter and hovercraft manufacturer. Nearly all the helicopters which saw service in the South Atlantic campaign were provided by Westland. Without its products there would not have been a victory, and this country owes a great debt of gratitude not only to the people who flew and fought with the helicopters, but to the work force which backed them up.

Since 1982, about 600 or more jobs have been lost, 500 in the last year, and 300 at Yeovil. About one quarter of Yeovil's work force — members of the Transport and General Workers union, the Association of Scientific, Technical and Managerial Staffs and, the Amalgamated Union of Engineering Workers, the Transport Aircraft Servicing Specialist and other unions — have been employed on the W30 on the strength of anticipated orders from the Ministry of Defence. But now the goalposts have been moved, and we have not really been told why, although some vague, strange reasons about the changes in the Army's demands have come forward.

I put it to the House that the real problem is Trident. The demands made by the Trident programme are affecting every purchase and procurement by the Government. The Royal Air Force is seeking to shed some of its responsibilities because of its £400 million overspend. I notice that it has already passed its responsibility for the Super Harrier to the Navy, and it is doing the same with the tactical transport helicopter to the Army.

We have to ask, as did the hon. Member for Yeovil and the hon. Member for Weston-super-Mare (Mr. Wiggin) why the Government have taken no interest whatsoever in the bidding that has taken place for the future of the company. At £50 million it is a snip for whoever wants it, as *Flight International* said, yet no major British company has come forward to seek to buy it. Is it because the Government are not prepared to confirm orders to give the company a chance to meet the technological needs of the Army and of the industry and to maintain our own independent service? Is it that they are just not bothered, or is it, because of the pressures on the Ministry of Defence, that they are prepared to buy things off the shelf from the Americans or from other suppliers rather than go forward and maintain what is important for our own strategic employment industries—our own separate and independent helicopter industry? We are talking not just about the future of a number of planes, important though they are, but about the maintenance of an important strategic industry in the country.

We have been told that pressure is being brought to bear to use the Chinook instead of a smaller lighter helicopter, but this does not appear to make any military sense in terms of strategic interest, particularly on the central front. I grant that Chinook is important for its lift capacity, but its primary purpose is as a heavy logistic transporter. It is the battlefield bus, as opposed to the battlefield taxi. It is what the Army is, and was, looking for until the pressure came to bear on the Ministry of Defence.

Heavier helicopters are much more vulnerable to ground fire, which was responsible for the loss of so many helicopters by the Russians in Afghanistan. We have to expect our new helicopters to meet the challenge of the light, quick tactical helicopters on the central front which the Russians are developing. We must be in a position to meet that challenge. It does not make sense to develop a heavy helicopter capable of carrying 44 men when one wants to deliver a platoon of about a dozen or so to important tactical positions on the western front or to confront a terrorist attack.

To deny the Army a tactical transport helicopter is to deny our Army the flexibility and manoeuvrability needed to counter changes in Soviet strategy. That is the important point which we must bear in mind. It is the nature of the helicopter about which we are concerned, its importance to the Army and its role therein, rather than looking for a heavy large helicopter which is vulnerable to ground fire and attack. We should address ourselves to proper military needs instead of acceding to the Ministry of Defence's desire to buy off the shelf in dribs and drabs as it thinks money is available. In so doing it is not recognising the importance of maintaining our helicopter industry.

The Government should say that there is a need to maintain our interest and control over Westland so that we can maintain the industry for the country's defence and maintain the work force at the frontiers of high technology, in which helicopter design and manufacture have a prominent place. Whatever happens, the Government must maintain our control of Westland in Britain. It must not be allowed to pass out of existence or into foreign control.

12.55 am

Mr. Stephen Ross (Isle of Wight): The Minister for Information Technology has had a long day, because he has already had his ear bent by two senior executives of British Hovercraft Corporation during his visit to my constituency about 12 hours ago. I wish to support everything that has been said so ably so far in the debate. I remind the Minister that Westland is the largest industrial employer on the Isle of Wight, with a work force of about 1,500. Anything up to 200 subcontractors of various sorts on the island look to the company for much of their bread and butter. I remind the hon. Gentleman also that in February the average unemployment rate on the island was 17·3 per cent.

The skills of the work force at Westland are undoubted. There is £60 million worth of orders on the Isle of Wight from BHC, Shorts, Boeing and De Havilland among others. That bears witness to the ability and the skills of

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the work force. The work is mostly in the composite sector and it is carried out in works which were only recently modernised at a cost to Westland of about £5 million. It is referred to as a centre of excellence and I believe that to be right.

Hovercraft orders are few and far between but that is hardly the fault of Westland, which has tried everthing that it knows to persuade the Royal Navy of their importance in mine counter-measures work. The principal message that both management and men at East Cowes wish me to convey to the House is the need to keep the firm together. Please do not hive off parts of what is, by common consent, a highly successful company, because of a hiccup over a particular helicopter order. The flexibility within the firm is its strength from the point of view of BHC.

12.57 am

The Minister for Information Technology (Mr. Geoffrey Pattie): The hon. Member for Yeovil (Mr. Ashdown) has initiated an important debate that is reflected by the extremely high attendance in the Chamber. The House will be grateful to my hon. Friend the Member for Weston-super-Mare (Mr. Wiggin) and the hon. Members for Kingston upon Hull, North (Mr. McNamara) and for Isle of Wight (Mr. Ross) for their contributions. I know that Westland receives tremendous support from many hon. Members, especially from my hon. Friends the Members for Wells (Mr. Heathcoat-Amory), for Dorset, West (Mr. Spicer), and for Wiltshire, North (Mr. Needham), who are all present in the Chamber. The same can be said of my hon. Friend the Member for Somerset and Frome (Mr. Boscawen), whose position as a Government Whip does not allow him to participate in our debates. My hon. Friend is in his place and he gives considerable support to the company.

The concern for Westland that has been expressed by all those who have participated in the debate is one that is shared by the Government both from the point of view of my own Department and from the somewhat different standpoint of the Ministry of Defence. I wish to clarify the role of my Department in relation to the company and to correct any misapprehensions that there might be on that score.

My Department has a general sponsorship role towards the company, as it has towards other private sector firms. I have much in mind the importance of Westland as an employer, especially in the south-west of England, and as a company upon which many equipment firms depend for their business.

Britain has historically been a leader in aerospace technology. It has a well-established capability in airframes, engines and equipment for both fixed wing and rotary wing aircraft. Westland has a distinguished place in this history. The maintenance of this position depends, as Westland recognises, on being competitive in world markets. It is worth recalling that Westland has made considerable achievements in the export market, often assisted by Government support in the difficult negotiations which such deals inevitably involve. I and my right hon. Friend the Minister of State for Defence Procurement have taken part at various times in those export negotiations in various parts of the world, in support of Westland.

Since 1960, Westland expertise in naval helicopters has secured 60 per cent. of the light helicopter market outside the United States, with sales of Lynx, and previously Wasps. It has also secured some 30 per cent. of the medium helicopter market with sales of Sea King. In total, some 250 Westland helicopters are in service in some 17 countries around the world, a record that speaks for itself.

We in the Department of Trade and Industry are investing large amounts of money by way of launch aid for Westland's civil helicopter projects. The agreement in relation to the W30 provides for launch aid of £41 million, of which nearly £35 million has already been paid. The civil version of the EH101 helicopter, which Westland is developing in collaboration with the Italian company Augusta, will receive launch aid of up to £60 million, of which £4 million has so far been paid.

That investment surely demonstrates that the Government are giving the company tangible support in its efforts to break into the civil helicopter market. I remind the House that the EH101 agreement with Italy is supported by an intergovernmental memorandum of understanding.

Without doubting the sincerity of what the hon. Member for Yeovil says or his right to raise the matter, I should like to say that he shares with all of us a responsibility not to say anything either here or outside the House that might have a damaging effect on the company, which we all value. Two points that he made rather surprised me. First, he said that the Government had stayed silent during the period when a bid was taking place for the company, as indeed we did. I ask him and the House rhetorically, in the interests of time, to surmise what else would have been proper for us to do. When a private company is the subject of a bid there is no way that the Government can take a view one way or the other.

Secondly, on the AST404, which is within the prerogative of my right hon. Friend the Minister of State for Defence Procurement, whom I am glad to have with me on the Front Bench tonight, I do not have anything formally to add to what he said in answer to questions in the House on 2 July. However, I should like to tell the hon. Gentleman that the letters AST—I am not trying to be offensive when I spell this out, because it might be helpful to the House—stand for air staff target, and target in defence procurement terms means just that. It is an original concept that is being devised by the services, with a possibility of it being met.

According to the processes in the Ministry of Defence, when further refinement of the staff target takes place, it becomes known as a staff requirement—an ASR, GSR or NSR. At that point, and at that point only, can a document be put out for a competition to be held. The hon. Gentleman might say that there has been a bid, it was 30 per cent. cheaper, or it was the best bid, but that is not so. There has not yet been any question of a competition. If there was an ASR in existence, we would be a stage closer to having a competition, but that stage has not been reached.

The hon. Gentleman must be careful in what he says, at about fanning up the anxieties of the work force of Westland's and his constituents, and suggesting that the company has made a bid when it has not, and that it has entered a competition when there has not been one. That needs to be fairly and clearly stated. As for suggesting that the goal posts have been moved, the Ministry of Defence

and the Army Department are refining the staff targets, which is precisely why there is a target, as the hon. Gentleman would know from his military experience.

Mr. Ashdown: The matter must be cleared up. I hope that the Minister will recognise that equivalent anxieties about the way in which the company has been treated in this matter have come both from me and Conservative Members. Does he recognise that the Westland derivative of the W30 fulfilled the AST404 requirement, as it was laid down in detail?

Mr. Pattie: The fact that the hon. Gentleman's anxieties may be echoed by my hon. Friends may mean that several people are under a genuine misapprehension. I am not suggesting that the hon. Gentleman is culpable in this matter, but I am pointing out that two stages must be completed before there is a competition. In suggesting that we should all ensure that we speak with considerable care and responsibility in this matter, I thought that it was correct to get the facts straight.

I am sure that the House would wish me to pay tribute to the contribution of Sir Basil Blackwell to the company in the past, and to offer best wishes for the future to the new chairman, Sir John Cuckney, and the acting chief executive, Hugh Stewart. Sir John has an outstanding reputation in the City and in industry. His arrival has brought stability, following the turmoil caused by the recent takeover bid and its last-minute withdrawal. It is a tribute to the inherent strength of the company that customers have remained loyal, and that there is no suggestion of any loss of confidence by creditors. Sir John will review the company's position in the light of the report that the board has commissioned from Price Waterhouse. At present, we can look forward to a period of stability and consolidation, during which Westland can redouble its efforts to promote its helicopters, especially in overseas markets. That is exactly as my hon. Friend the Member for Weston-super-Mare suggested. At present, we want a period of calm.

Westland is at present actively pursuing numerous sales opportunities for helicopters abroad. The company believes that there may be potential for sales of up to 140 Lynx aircraft in Europe, the middle east, Asia, Africa and south America, for up to 10 Sea Kings in Asia and the middle east, and for W30s in the United States of America, Europe, the Gulf, Asia, Africa and Australasia.

The House will know of the efforts that Westland has made to secure contracts to supply 21 W30 helicopters to the Indian Oil and Natural Gas Corporation for offshore work, and six aircraft to the Indian Government. The British Government have taken a considerable interest in this business and have, at the request of the Indian Government, agreed that the purchase might be funded out of the aid programme. That offer still stands. The ultimate decision about what aircraft they need must of course rest with the Indian authorities.

The Ministry has outstanding orders for 18 Sea King and six Lynx helicopters, worth about £70 million. There is, of course, a continuing need for spares and support services for the helicopters currently in service, and which will remain in service for many years to come. The Ministry is currently spending some £60 million a year on such spares and support. The Ministry of Defence is also funding development of the naval version of the EH101, which is a key element in the company's future strategy.

I hope that what I have said this evening will demonstrate that the Government are not a disinterested observer in the future of the helicopter industry, but we must not forget that Westland is a private sector company. There is no Government shareholding, and it is not for the Government to intervene in the management of the company or to seek to influence the form its future should take. I believe, however, that with good management and a determination to compete effectively in world markets in collaboration with others on major projects, Westland has a good future to look forward to.

Question put and agreed to.

Adjourned accordingly at eight minutes past One o'clock.

House of Commons

Tuesday 9 July 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

BRITISH RAILWAYS BILL
As amended, considered; to be read the Third time.

BRITISH RAILWAYS (TROWSE BRIDGE) BILL *[Lords] (By Order)*

YORKSHIRE WATER AUTHORITY BILL *(By Order)*
Order for Second Reading read.
To be read a Second time upon Thursday 11 July.

Oral Answers to Questions

EMPLOYMENT

Youth Training Scheme

1. **Mr. Park** asked the Secretary of State for Employment how he proposes to finance the second year of the youth training scheme.

The Secretary of State for Employment (Mr. Tom King): We are making some £925 million in 1986-87 and some £1,100 million in 1987-88 available for the new youth training scheme. Employers will also be contributing to its costs.

Mr. Park: What steps does the Secretary of State propose to take to bridge the gap between the current estimated cost of the one-year programme — £781 million — and the £925 million to which he has just referred? Has he received a commitment from the employers, or is this another case of robbing Peter to pay Paul, to the detriment of the trainees?

Mr. King: If the hon. Gentleman looks at the figures, he will find that the £925 million is only part of the cost for part of the year. The academic year overlaps the financial year. The hon. Gentleman knows that the proposals are the unanimous recommendation of the Manpower Services Commission, comprising the Confederation of British Industry, the Trades Union Congress and independent local education authority interests. I am pleased to support them and keen that they should be introduced at the earliest possible opportunity.

Mr. Dickens: Is it not a fact that for the first time in the history of this country all youngsters under the age of 18 now have the opportunity to continue in full-time education, to take a job or to enter a training scheme that is relevant and flexible enough to suit their needs? This is something of which we ought to be proud and which my right hon. Friend ought to be saying from the Dispatch Box.

Mr. King: I try to say it on every possible occasion. This is a remarkable achievement, but we are not resting on our laurels. After the success of the one-year scheme we are introducing the two-year scheme. I hope that it will become a permanent feature and improve the training opportunities and work experience of every youngster who wants to take part in the scheme.

Mr. Mason: Is the Secretary of State aware that I have received complaints that 17-year-olds are being refused places on youth training schemes until all 16-year-olds have been catered for? Is that not foolish when young people have decided to take a further year of education to increase their O-levels so that they will be better equipped for the YTS? Is this a Government directive or a matter for local decision?

Mr. King: They are not being refused places, but 16-year-olds have always been given priority. When we introduced the scheme we guaranteed a place upon it for every 16-year-old, but our ambition was to help as many 17-year-olds as we could. We have fulfilled the guarantee for both the 16-year-olds and the 17-year-olds. There may be a slight blemish in this respect. If the right hon. Gentleman has heard of problems, I hope that he will let us know so that there will be the minimum delay before 17-year-olds are provided with an opportunity to participate in the scheme.

Mr. Favell: Does my right hon. Friend agree that in many cases the one-year scheme has proved to be very successful and that it does not appear to be necessary to have a two-year scheme? For example, in Stockport it is prophesied that over 80 per cent. of those who are on this year's scheme will have a permanent job at the end of it.

Mr. King: The figures for the number of entrants to the youth training scheme going on to full-time jobs are encouraging in many parts of the country. My hon. Friend will recognise that there is wide support among employers and those involved in training for the concept of a two-year scheme, which we are keen to see. I am glad that we have the support of hon. Members. I hope in all parts of the House, and certainly we have the unanimous support of the Manpower Services Commission.

Mr. Sheerman: The right hon. Gentleman knows that he will have the support of Labour Members if he moves towards a two-year quality training scheme. Is he not misleading the House, however, when the facts show that the present budgeting allows for only a one and a half year scheme, 30,000 places cut from the mode B provision and a reduction from 26 weeks off-the-job training, as recommended, to 20 weeks? That is not compatible with a quality two-year scheme.

Mr. King: I am sorry that the hon. Gentleman is already seeking to chip away from what is a determined effort to introduce a quality two-year scheme — *[Interruption.]* Waving a cutting from a newspaper does not demonstrably prove any argument. I assure the hon. Gentleman that it is our determination to introduce a quality scheme. We want to give the best possible

opportunity to young people. We believe that the scheme, as brought forward unanimously by the MSC, contains within it the right framework to achieve that objective.

European Community (Grants)

2. **Sir Russell Johnston** asked the Secretary of State for Employment whether he has any estimate of the number of jobs created as a result of grants from the European Community.

The Parliamentary Under-Secretary of State for Employment (Mr. Peter Bottomley): Well over a million people a year are taking part in training or job creation schemes supported by the European social fund. More than 150,000 jobs were created or preserved with help from the European regional development fund between 1975 and 1983. Others were created through infrastructure projects.

Sir Russell Johnston: Given that the Government say that they want to encourage individual effort and that 70 per cent. of social fund money goes to the MSC, will the Minister take steps to ensure that the voluntary bodies promoting employment and training get a better share of the money?

Mr. Bottomley: I will do the best I can.

Mr. Teddy Taylor: As every pound that we receive from the Common Market costs the British taxpayer £1·42, could we not create 42 per cent. more jobs if we did not go through the absurd nonsense of wholesaling cash through Brussels and getting less back?

Mr. Bottomley: Given my limited breadth of vision, I can only tell my hon. Friend that with this assistance we are able to do more than we would without it.

Mrs. Clwyd: Is it not a fact that £20 million has been lost to Britain from the EEC budget because money that was allocated for job creation out of the regional and social funds, which could have been spent at any time up to the end of 1984, was not spent? Has that been due to bureaucratic bungling in Brussels, in Whitehall, or in both?

Mr. Bottomley: It would be helpful if the hon. Lady would write to me with details of the £20 million to which she is referring—*[Interruption.]* There are a number of reasons why certain things happen, as she will know from her experience. For example, the Commission takes decisions with which we sometimes do not agree. In some cases it is a question of people with allocations not fully taking them up. There may be other points concerned with the case that the hon. Lady has in mind. That is why I said that it would be helpful if she would send me details. I can then give her a full response.

Mr. Thurnham: Does my hon. Friend agree that the taxes levied by the EEC destroy jobs?

Mr. Bottomley: Most public revenues have that effect.

Labour Statistics

3. **Mr. Dormand** asked the Secretary of State for Employment what is the total number of people unemployed, those who have been unemployed for more than one year, those who have been unemployed for more than than two years, respectively, at the latest available date.

The Minister of State, Department of Employment (Mr. Peter Morrison): On 11 April 1985 there were 3,273,000 unemployed claimants in the United Kingdom. Of those, 1,334,000 had been unemployed for more than one year and 790,000 for over two years. Since April the total number of unemployed claimants has fallen by 94,000.

Mr. Dormand: Is the Minister aware that if the recent welcome rate of reduction in the number of unemployed is maintained, it will take to the end of the century before the number of unemployed reaches the total when the Labour Government left office? In those circumstances, will he say whether he is one of those who believe that the presentation of policies is wrong, rather than the policies themselves?

Mr. Morrison: I am glad that the hon. Gentleman welcomes the fall of 94,000. However, I do not agree that it will take until the end of the century to achieve that level of unemployment with a reduction of 94,000 every two months.

Mr. Latham: Will my hon. Friend confirm that the community programme is a significant help to the long-term unemployed? What is being done to put in place the increase announced in the Budget?

Mr. Morrison: As my hon. Friend points out, we are increasing the community programme by 100,000 places. That process has already started. In June, 5,000 places were filled; by the end of the year 50,000 places will have been filled; and by next June the whole 100,000 places will have been filled.

Mr. Boyes: The Minister must not try to kid the people in my constituency about unemployment falling, because there are now 8,225 unemployed, which is 690 more than last year. A disappointing reply was given to my hon. Friend the Member for Cynon Valley (Mrs. Clwyd) about the £20 million that has been thrown down the drain. How many people does the Minister think could have got jobs out of that money if it had been claimed and spent on job creation?

Mr. Morrison: I appreciate that the part of the country that the hon. Gentleman represents has a difficult unemployment problem. I was in that area yesterday and met many people involved in the job club in the Durham jobcentre, and 80 per cent. of those involved in it were finding jobs. Therefore, it is possible to find employment in the north-east.

Mr. Lyell: Will my hon. Friend confirm that there is a higher proportion of longer-term unemployed in the south than in the north? Can he explain this strange phenomenon and what can be done to prevent it from continuing?

Mr. Morrison: I can confirm that there is a higher number of long-term unemployed in the south than in the north.

Mr. Evans: Will the Minister acknowledge that mass unemployment, particularly mass long-term unemployment, was a significant factor in the defeat of the Tory candidate in the Brecon and Radnor by-election? Is it not time that the Government recognised that the people no longer accept their fairy stories about economic success and new jobs being just around the corner? Does he accept

that a majority want positive Government action to reduce unemployment, through an increase in public investment rather than tax cuts?

Mr. Morrison: I am surprised that the hon. Gentleman chose to remind the House of the Brecon and Radnor by-election, for which the Leader of the Opposition had claimed a great victory. What happened to the Labour candidate? He did not win.

4. **Mr. Teddy Taylor** asked the Secretary of State for Employment what information he has as to the net change in employment in the European Economic Community and the United States of America, respectively, over the past 10 years.

The Parliamentary Under-Secretary of State for Employment (Mr. Alan Clark): Information for all countries is available only for years up to 1983. My latest estimate is that in the 10 years to 1983, employment in the European Community decreased by about 1 million, a fall of 1 per cent. In the same period, employment in the United States increased by nearly 16 million, a growth of 19 per cent.

Mr. Taylor: Is my hon. Friend aware of any place, apart from El Salvador and possibly Tibet, with a more dismal record of job creation than the EEC? Would it not be better for the unemployed if the Government were to encourage more trade contact with the growth areas of the world instead of with Europe, which is clearly in structural decline?

Mr. Clark: It is better if trade contacts develop naturally rather than in an artificial atmosphere of Government encouragement. The shift of emphasis from employment in manufacturing to employment in services cannot be reflected in our trading relations with the European Community until the Community relaxes some of its restrictions on the freedom of operation in the service sector.

Mr. Maclennan: Would the Common Market more effectively create jobs if the Government objective in completing the internal market, which the hon. Member for Southend, East (Mr. Taylor) is resisting, were carried through?

Mr. Clark: In the last two years, jobs have increased at a faster rate in this country than in Italy, Germany or France.

Mr. Baldry: Does my hon. Friend agree that we would have a better chance of increasing the number of jobs in the European Community if we removed barriers to business in Europe and had an integrated market by 1992, because we wish to remove from business not only burdens but barriers?

Mr. Clark: My hon. Friend is right. The barriers exist principally in the service sector, which is the largest growth sector in the United Kingdom. The meeting of the European Council in Milan issued a statement on this subject, saying that it was looking at the position and was preparing a detailed report on current inadequacies as a result of the growth of employment in the Community compared with its major industrialised competitors. The report also covers new strategies that could be implemented to remedy the situation.

5. **Mr. Haynes** asked the Secretary of State for Employment what are the current numbers unemployed; and what this is as a proportion of the work force.

Mr. Tom King: On 13 June 1985 the number of unemployed claimants in the United Kingdom was 3,179,000, representing an unemployment rate of 13·1 per cent.

Mr. Haynes: Is the Secretary of State aware that the figures that he has just produced are a disgrace to his Government? Is he also aware tha. ne and his Government are massaging the figures by taking people off the register? When will he do a real job as Secretary of State for Employment and get more investment in industry to create the jobs which the unemployed need so desperately? Do something about it.

Mr. King: The hon. Gentleman calls for more investment in industry, but every hon. Member knows that part of the problem that we face results directly from increased investment in industry, which has created a significant proportion of the increase in unemployment. I wholly repudiate suggestions that the figures that I published last week are not accurate. I have published— *[Interruption.]* I notice that Labour Members are ready enough to accept the figures when it suits them and that they take pleasure in the figures when unemployment goes up, but they seem to resent it bitterly when unemployment goes down.

Sir Dudley Smith: Is my right hon. Friend aware that there has been a welcome improvement in the number of engineering jobs on offer in the west midlands? However, is he also aware that some jobcentre employees are actively discouraging men over 50, or even over 45, from applying for those jobs, on the ground that they are too old? Will he ask them to desist from that practice forthwith, and, even more important, will he make representations to the CBI to get it to encourage men of maturity as well as men with skills?

Mr. King: I am very concerned about what my hon. Friend says, because it is standard practice that jobcentres are required and encouraged to request employers not to impose such age restrictions. I certainly note what my hon. Friend says. If there are further illustrations of the point that he makes, I should like to hear of them.

Having been in the west midlands this morning and seen the reports of the Birmingham chamber of commerce about the encouraging prospects and the surge of orders from home and overseas, I am encouraged to see the improved prospects for the west midlands.

Mr. Terry Fields: Having been to Birmingham today, why did the Secretary of State not take the train a little further north to Liverpool and, during his travels, read the report of Liverpool's city planning officer, which shows that since the Government have been in power 65,000 jobs have gone from the Liverpool area, including 40,000 in manufacturing industry? Is the right hon. Gentleman aware that the report suggests that by the time the Government leave office 100,000 people will be unemployed in Liverpool? The Secretary of State cannot blame that on Liverpool city council. When will he do something about it?

Mr. King: I am interested in the latter part of the hon. Gentleman's question. If he thinks that the present administration in Liverpool city hall is a positive

encouragement to investors and companies to locate in Liverpool, he has a funny idea of the conditions that are necessary for the creation of work and the chances to tackle the serious problems in Liverpool, about which I know as much as any Minister.

Mr. Soames: Will my right hon. Friend remind the House that 65 per cent. of our work force is in work, which is a higher proportion than that in France, Germany or other OECD countries? Does he agree that that is a major coup for the Government?

Mr. King: In the year from January 1984 to January 1985, for which I have the figures, unemployment rose by 140,000—which is a matter of great concern—while under the Socialist Government in France it rose by 250,000. During the past two years, employment in Germany fell, whereas employment in the United Kingdom increased by 2·6 per cent. I take no comfort from the fact that the United Kingdom is doing better than other countries in Europe. All hon. Members know that we need to create more jobs if we are to make the dent that we need to make in unemployment.

Coal Industry Dispute

6. **Mr. Meadowcroft** asked the Secretary of State for Employment when he intends to reply to the report of the Employment Committee on the reinstatement of National Coal Board employees dismissed during and since the mining dispute.

8. **Mr. Merlyn Rees** asked the Secretary of State for Employment if he will make a statement on the Government's response to the recommendations of the Employment Committee's report on the dismissal of National Coal Board employees.

10. **Mr. Robert Hughes** asked the Secretary of State for Employment if he will make a statement on the Government's response to the recommendations of the Employment Committee's report on the dismissal of National Coal Board employees.

Mr. Tom King: I have read the report of the Select Committee on Employment. The Government are quite clear that reinstatement of the dismissed miners is entirely a matter for the National Coal Board, which is continuing to review all dismissal cases area by area and in the light of industrial tribunal findings. I understand that the NCB has made it clear that there can be no question of re-employing men who have engaged in serious violence against NCB personnel or property. The Government fully support that view.

Mr. Meadowcroft: How worried is the Secretary of State about the threats to the unity of the mining industry from the different practices carried out by different NCB areas, paralleled, alas, by the fragmentation of the National Union of Mineworkers? To what extent is he interested in assisting the mining industry by encouraging the chairman of the NCB to have a policy which does not treat people differently in different areas?

Mr. King: I know that the chairman and the board take that point seriously. Nobody should underestimate the appalling difficulties and serious nature of the problems with which they must deal. I know that in the remarkable circumstances surrounding the appalling dispute they have been anxious to deal with the problem as fairly as possible.

Mr. Rees: Is the Secretary of State worried about the evidence given in the report? Some men who were found guilty and returned to work early have kept their jobs, while others who were found not guilty but who did not return to work have lost theirs. Should there not be a right of appeal outside the NCB—a right based on natural justice—and should not the Secretary of State tell the NCB that?

Mr. King: The right hon. Gentleman knows that the matter must be the responsibility of the management of the NCB. It must deal with the problem and the dismissed miners, who have the normal procedures open to them.

Mr. Hughes: Does the Minister recollect that the cardinal principle of good industrial relations is that, after a dispute, the watchwords should be conciliation and reconciliation? Does he agree that it is outrageous that not one miner in Scotland has been reinstated—not even miners who stood trial and were acquitted? Bearing in mind some of the Secretary of State's distinguished predecessors, such as the late Lord Monckton, who was Minister of Labour, does he agree that it would be a good idea to put pressure on the NCB to adopt the modest proposals of the Select Committee on Employment and institute a proper overall review procedure?

Mr. King: A cardinal principle of all good industrial relations is always to hold a ballot before taking industrial action. I hope that that will now be firmly established. If there had been a ballot, many of these unfortunate circumstances might have been avoided. The NCB has made it clear that it is continuing to review the cases. It has reinstated significant numbers of miners, and it has looked at the cases in the light of industrial tribunal findings. I hope that the hon. Gentleman will find my answer helpful.

Mr. Gorst: Will my right hon. Friend bear in mind before he replies to the Select Committee's report that the report was not about the unfair dismissal of miners, for which there is recourse to an industrial tribunal, but about allegations of unfair reinstatement of miners, for which there is no recourse to any tribunal?

Mr. King: I am somewhat surprised at my hon. Friend's question because I have here a report entitled, "The Dismissal of National Coal Board Employees".

Mr. Leighton: Is the Secretary of State aware that the Select Committee report did not consider the merits of the coal strike or violence—it in no way condoned violence—but the quite separate issue of evidence of the manifest unfairness of and glaring inconsistencies in the NCB's treatment of its dismissed employees? Is he aware that in Scotland there have been representations from chief constables and leaders of all the Churches on this matter? Is he further aware that, under repeated questioning, Mr. MacGregor refused to say that he would reinstate those miners whose cases had been upheld by industrial tribunals? In those circumstances, does he agree that the proposal for a review conducted along the lines of the ACAS code, under which each man's case could be represented, is modest? Should he not take heed of that rather than allow this wound to fester?

Mr. King: I note what the hon. Gentleman says. The report did not deal with that. I think that I am not the only right hon. or hon. Member who found it unbelievable that the Select Committee could report on this matter without

once considering the appalling violence and intimidation that affected people who were not given any opportunity to say whether they wished to work. That was a grave omission.

Mr. Rowe: Does my right hon. Friend agree with half of the ordinary members of the Select Committee, who believe that it is wiser to leave reinstatement to the NCB area by area? Does he further agree that the sense of that was well demonstrated by the young man found not guilty of murdering a taxi driver nevertheless now asking for reinstatement, although he was clearly considerably engaged in the discussions about that action?

Mr. King: I have already said that these must be matters for the NCB. It has made quite clear the basis on which it will deal with such matters. It is not right to try to suggest that this is some ordinary dispute or incident. We recognise the difficult circumstances that existed. This is the right method by which to proceed. I note that rather more than 400 miners have been reinstated under the procedures operated by the NCB.

Mr. Lofthouse: In view of his office, does the right hon. Gentleman feel obliged to say whether he supports the system under which a person can face trial, be found not guilty but then be found guilty by a MacGregor kangaroo court?

Mr. King: There are times when people are dismissed although charges may not be preferred against them. It all depends on what basis the case was made. I can perfectly well understand that there might be circumstances under which people are acquitted of certain charges but are still dismissed on other grounds.

Mr. Peter Bruinvels: Is my right hon. Friend aware that the working miners of Leicester found the Select Committee report shattering and disappointing? Does he appreciate the feelings of those brave working miners, who saw property demolished, miners being intimidated and violence on the picket line? They find it incredible and unacceptable that miners should now be considered for reinstatement. That is not the way in which to run the country.

Mr. King: The working miners of Leicestershire were not alone in holding that view about the report. The Select Committee system works best when reports are unanimous. This report is clearly not unanimous, as the Committee was bitterly divided. It was not the most successful report of the Employment Select Committee.

Mr. Prescott: Is it not deplorable that the Secretary of State can have a view about a Select Committee's recommendation on procedures for the review of dismissal arising out of an industrial dispute and not give his attitude towards the principle? Since the Secretary of State has made a statement that he is considering new legislation to deal with victimisation by the trade unions of those people involved in industrial disputes, is he prepared to consider victimisation by the employers and ensure that all employers abide by the recommendations of ACAS dealing with unfair dismissal?

Mr. King: As the hon. Gentleman knows, that is already law, and there is access to industrial tribunals.

Mr. Wilson: Why will the Secretary of State not pay any attention to the questions that have been raised about the Scottish situation, where there is to be no review, where there is to be no reinstatement and where Scottish miners, some of whom have not been convicted of any offence, seem to have been singled out for discriminating treatment? Does not the Scottish situation require his immediate intervention?

Mr. King: My understanding is that the individual cases in Scotland are being reviewed on the same basis as elsewhere.

Youth Training Scheme

7. **Dr. Godman** asked the Secretary of State for Employment what representations he has received concerning the proposed two-year youth training scheme.

12. **Mr. Kenneth Carlisle** asked the Secretary of State for Employment whether he will make a statement on progress in setting up the second year of the youth training scheme.

Mr. Peter Morrison: My right hon. Friend announced on 1 July that he had approved the broad framework of the Manpower Services Commission's proposals for a two-year youth training scheme. These were drawn up after extensive consultations with employers, trade unions, local authorities, education interests and others.

Dr. Godman: In these consultations, has the Minister outlined what steps are to be taken to ensure that the training element in this two-year scheme will be improved, and has he given guarantees that those youth trainees completing a two-year youth training scheme will be offered a job?

Mr. Morrison: As far as the quality of the training is concerned, 20 weeks is the minimum for the two-year scheme. As to the certification, we are working on that so that they have a certificate at the end. As the hon. Gentleman knows, there can be no guarantee of a job at the end of the scheme, but certainly it enhances the job prospects of all the 16 and 17-year-olds who go on it.

Mr. Kenneth Carlisle: The second year youth training scheme will be the greatest help to school leavers seeking a job. However, is my hon. Friend aware that in Germany the two-year scheme costs £3,600 per trainee, the bulk of which is met by the employer? In sharp contrast, our scheme will cost £3,800 per trainee, most of which will be met by the Government. Does he agree that this shows not only the Government's commitment to training but also that we can expect employers to invest far more in training in the future?

Mr. Morrison: I certainly agree with my hon. Friend that the German example of employers making a major contribution is something to be followed, and we have reason to believe that in this country the employers will be making a significant contribution to the two-year youth training scheme.

Mr. Ron Brown: Is it not the case that the YTS is simply a front for cheap labour and a means of keeping down wages in order to establish a new-style Hong Kong in this country? That is the reality of the situation and why so many youngsters in the country realise what the Government are up to. It is a simple con.

Mr. Morrison: The answers to the hon. Gentleman's first three questions are no, no and no. So far as the

trainees are concerned, he may be aware that some 84 per cent. think that the scheme is worth while or very worth while, so again he is wrong.

Mr. Colvin: Can my hon. Friend tell the House how many places on the two-year YTS are likely to be made available by the armed forces, and if critics of that form of sponsorship criticise it as being voluntary national service by the back door, can he see anything particularly wrong with that?

Mr. Morrison: My hon. Friend asks how many places there will be in the armed services scheme. It will be of the order of 2,200. It is a totally voluntary scheme, and he may be interested to know that in the year 1984-85 3,400 youngsters applied to go on the scheme.

Apprenticeships

9. **Mr. Alton** asked the Secretary of State for Employment whether he is satisfied with the current level of apprenticeships.

Mr. Alan Clark: The numbers entering traditional apprenticeships are becoming increasingly irrelevant as a measure of the real level of skills training being undertaken by industry arising out of the reform and modernisation of existing arrangements and the substantial provision of initial skills training under the youth training scheme.

Mr. Alton: Given the Secretary of State's criticism in *The Times* this morning of the fact that this country spends seven times less than the United States and 14 times less than West Germany on provision for training, does the Minister agree that it is time that we introduced the West German system of statutory apprenticeships, which are the best quality training that can be given? When he describes apprenticeships as irrelevant, does he believe that people who commission someone to work in their homes will be as satisfied with someone from the YTS—worthwhile as some of those schemes may be—as they would be if they had a proper apprentice?

Mr. Clark: The hon. Gentleman referred to a proper apprentice. The whole nature of training has gone through a major sea change which reflects the transition from manufacturing to service industries and from heavy to high-tech industries. The Government have more than doubled expenditure on training since they took office. Government grants are available to help employers with apprentice training but all the money provided has not been taken up.

Mr. Lawler: Does my hon. Friend agree that the best way to encourage more apprentices is to encourage more companies to remodel their apprenticeship schemes to incorporate YTS, as has already been successfully done by the electrical contracting industry?

Mr. Clark: Yes, Mr. Speaker. One of the features of the electrical contracting industry's scheme is that it negotiated a completely revised wage structure, which reduced pay from £43 to £27. As a result, first-year apprenticeships have trebled.

Mr. Gordon Brown: With regard to the level of apprenticeships, is the Minister aware that one of the 204 miners sacked in my constituency was a Coal Board apprentice? He was sacked without having the opportunity to put his case to his employer. Does the Minister support employers sacking people without giving them the chance of a fair hearing?

Mr. Clark: I am aware that the House does not like this type of answer, but clearly with such a case the hon. Gentleman must put the argument in writing.

Trade Unions (Ballots)

11. **Mr. Hunter** asked the Secretary of State for Employment how many trade unions have now applied to the certification officer for reimbursement of the cost of ballots, under the provisions of section 1 of the Employment Act 1980; and what has been the total amount paid to trade unions under this section.

Mr. Peter Bottomley: Thirty-two trade unions have applied to the certification officer under the provisions of section 1 of the Employment Act 1980 for reimbursement of costs incurred in holding secret ballots. Payments made total about £1·4 million.

Mr. Hunter: Does my hon. Friend agree that what he has just said irrefutably demonstrates the wisdom underlying the 1980 measure and provides further evidence of the Government's success in reforming previous employment legislation?

Mr. Bottomley: Yes, Sir. In particular, it deals with those people who are unwilling to come out and say openly that they oppose secret and democratic ballots, but argue against them on the ground of cost. They have no argument on the ground of costs and they had better come clean and say whether they believe in secret ballots.

Mr. Prescott: Is the Minister aware that the latest ballot conducted by the General Municipal, Boilermakers and Allied Trades Union cost £250,000, and that the result, whether the vote was taken at the work place or by secret ballot, showed a 9:1 ratio in favour of maintaining a political fund? Is that not an adequate answer to the scurrilous charge made by the right hon. Member for Plymouth, Devonport (Dr. Owen) during a previous Question Time about an unfair ballot?

Mr. Bottomley: I do not believe that the hon. Gentleman wants or expects me to become involved in a spat which he may have in the House with other political parties. At some convenient moment, will he say whether he believes in ballots and whether he draws the same conclusion as I did—that if one spends £250,000 giving a one-sided argument one may obtain a one-sided result? One of the important issues that people should consider is whether they believe that their trade union fulfils its purpose by being associated with one political party and whether the trade union leadership is willing to accept that it has members who support different parties and who may change their allegiance. Trade unions would be better advised to pay more attention to such people.

Mr. Fry: Is my hon. Friend aware that in a ballot on the future of the political donation, ballot papers were sent to my constituents who had not been members of the Amalgamated Union of Engineering Workers for four years? Does that not show that there is a need for ballots to be properly organised, otherwise people who are not members of a union can take part in elections for officers and decisions on the political levy?

Mr. Bottomley: My hon. Friend makes a sensible point. Even with full postal ballots there are difficulties. Mailing lists can get out of date. For example, I recently received a letter addressed to the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) who in 1968 held the job that I now have.

Equal Pay

13. **Mr. Freud** asked the Secretary of State for Employment what comparisons he has made with other members of the European Community with regard to the progress towards equal pay for women.

Mr. Alan Clark: All member states of the European Community are required by article 119 of the Treaty of Rome and the equal pay directive to provide equal pay for men and women doing equal work.

Mr. Freud: When does the Minister intend to amend the Equal Pay Act so that women in this country have a primary right to receive equal pay for work of equal value?

Mr. Clark: I do not know where the hon. Gentleman has been for the past two years. We have complied with the ruling of the European Court of Justice and introduced those provisions by an order which makes that a requirement on employers. If an employee feels that an employer is not complying with the provisions ,we have set up tribunal machinery to ensure compliance with the European Court of Justice ruling.

PRIME MINISTER

Engagements

Q1. **Mr. Wareing** asked the Prime Minister if she will list her official engagements for Tuesday 9 July.

The Prime Minister (Mrs. Margaret Thatcher): This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today.

Mr. Wareing: Does the reported decision of the Secretary of State for the Environment to scrap the present system of constraints on local authority finance through penalties and targets denote the first part of the Government's U-turn in response to their failure to hold the seat in the Brecon and Radnor by-election? What further concessions are likely as the Government go further down the slope towards electoral disaster?

The Prime Minister: No final decisions have yet been taken on the rate support grant settlement for 1986-87. The hon. Gentleman will be aware that on 16 January 1985 my right hon. Friend the Secretary of State for the Environment said:

"I should like to be able to abandon targets and holdback"

but that

"Much depends on the level of local authority spending in the coming year".—[*Official Report*, 16 January 1985; Vol. 71, c. 338.]

Mr. Ian Lloyd: In the context of President Reagan's timely reminder yesterday that the campaign against terrorism worldwide must be indivisible, is my right hon. Friend aware of any event which throws a more glaring light on the squalid and contemptible character of political opportunism than the appearance on a public platform in the centre of London, with a representative of an organisation with objectives and methods indistinguishable from those of the IRA, of a member of the Privy Council, the Leader of the Opposition? Can my right hon. Friend do anything to ensure that the authority and prestige of the Privy Council are not illegitimately transferred in that way?

The Prime Minister: My hon. Friend has made his point very cogently and I am glad that he has brought the matter to more public attention.

Mr. Hattersley: Does the Prime Minister endorse the judgment of her Chancellor that ours is the most successful economy in western Europe, or have her civil servants had the opportunity during her busy day to explain to her the phoney nature of the statistics on which that claim was based?

The Prime Minister: My right hon. Friend the Chancellor was endeavouring to point out the fact that no other country in Europe has such a good record as Britain in the creation of new jobs in the past year.

Mr. Hattersley: It is clear that the Prime Minister has not read what the Chancellor said. He said that we had the best growth rate in western Europe, but the statistics, which I assume were available to him, show that only one EEC country had a worse growth rate than ours. Does the Prime Minister endorse or repudiate the Chancellor's manipulation of the figures?

Secondly, while we are on the subject of Government achievements, will the Prime Minister now answer the question that I asked her 10 days ago, but which she ducked twice then and has continued to duck, and confirm that she has presided over the highest ever levels of unemployment, company liquidation, real interest rates, mortgage rates and manufactured trade deficit in the history of this country?

The Prime Minister: May I point out to the right hon. Gentleman that we have also presided over record output, record standard of living, record investment and record overseas assets.

Mr. Hattersley: I simply ask the Prime Minister to answer the question that I have now asked her on three occasions: are the allegations that I make about the record catastrophes over which she has presided true or false?

The Prime Minister: I do not influence the right hon. Gentleman's questions. He must not influence my answers. *[Interruption.]* We have record output, record standard of living, record investment and record overseas assets. I only regret that the Leader of the Opposition is not here so that I can say it to him.

Mr. Alan Howarth: Does my right hon. Friend agree that lower taxes achieved as a result of the privatisation programme would be valuable and welcome, but that the only way to secure for the longer term a low-taxation economy, with all its benefits for employment, is to hold absolutely firm against the pressures for raising public expenditure, and to reduce public expenditure as a proportion of gross domestic product?

The Prime Minister: Yes, Sir. I believe that most people would prefer more net take-home pay. The only way to achieve that is to reduce taxation or increase growth in the economy. Both need room to be made for private enterprise and growth in the private sector.

Mr. Steel: Does the Prime Minister recall telling us last Tuesday how glad she would be to welcome here the Conservative candidate for Brecon and Radnor as the new Member of Parliament? As in her newspaper interview yesterday she dismissed with contempt some of her colleagues as flexi-toys, have not they been proved right in suggesting that she is out of touch with the electorate? How would she describe the people of Brecon, now that they have spoken for Britain?

The Prime Minister: I congratulate the winner of the Brecon and Radnor by-election on his victory. I note that the tenure of those in seats won by Liberal and Social Democratic candidates in by-elections tends to be rather short, as my hon. Friends the Members for Sutton and Cheam (Mr. Macfarlane), for Skipton and Ripon (Mr. Watson), for Crosby (Mr. Thornton) and for Croydon, North-West (Mr. Malins) will testify.

Mr. Patrick McNair-Wilson: Has my right hon. Friend yet had time to reflect upon the demand from the Director General of the Confederation of British Industry for an immediate 2 per cent. cut in the base rate? What reply would she give to him, bearing in mind the fact that many of the world's economic indicators, including oil, continue to present a confusing picture, and our own inflation rate still requires a firm hand?

The Prime Minister: I think that my hon. Friend found the reply in his last few words. Our own inflation rate still requires a very firm hand. As my hon. Friend is well aware, it is not possible to say anything about the interest rate from this Dispatch Box other than that one does not wish it to be high for a moment longer than the inflation rate requires.

Q2. **Mr. Skinner** asked the Prime Minister if she will list her official engagements for Tuesday 9 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Skinner: Does the Prime Minister recall that, in the 1970s, many hon. Members on both sides of the House tried to take the lid off the Crown Agents scandal? Is she aware that another City scandal, relating to Johnson Matthey Bankers, has not been properly dealt with in the House by the Chancellor of the Exchequer or by herself? Is she further aware that yesterday 135 hon. Members tried to table a motion which would have enabled the House to debate the matter during our proceedings on the Finance Bill today? Why does she not do the decent thing and tell the Governor of the Bank of England to publish the Price Waterhouse report, so that we can know the truth about this sordid affair? Or is the real truth that some of those City crooks are a little too close to home for comfort?

The Prime Minister: The hon. Gentleman is well aware that my right hon. Friend the Chancellor of the Exchequer made a full statement to the House and was questioned on it. I have nothing further to add to that statement.

Q3. **Mr. John Townend** asked the Prime Minister if she will list her official engagements for Tuesday 9 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Townend: When will the Government stop giving the impression in the country that public expenditure is being reduced when the facts show that public expenditure is inexorably increasing? Will my right hon. Friend ensure that the Fowler review produces substantial savings in social security, which can be used to take the low-paid completely out of tax?

The Prime Minister: As my hon. Friend is aware, the Chancellor's policy is to restrain total public expenditure, but within that total to carry out our pledges on priorities. My hon. Friend will be aware of what those pledges were: defence, law and order, the Health Service and pension provision. Those have been fully honoured within the total restrained public expenditure, and it is still our policy to endeavour to make further reductions in direct taxation. Had the Labour Government's rate of taxation held, people would be paying £6 billion more in income tax than they are now.

Mr. Robert Sheldon: Does the Prime Minister now believe in the middle way? If she does, will she define it?

The Prime Minister: I believe in the right way. It is the way in which we are going.

Q4. **Mr. Colvin** asked the Prime Minister if she will list her official engagements for Tuesday 9 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Colvin: Will my right hon. Friend take time today to reflect on the meeting yesterday with the Chiefs of Defence Staff, contrasting the Conservative party's united policy on nuclear deterrence with the divided policies of the SDP and the Liberal party? Will she acknowledge that although middle-of-the-road policies may be all right for some, driving all over the road is dangerous for everyone, and that the more help the Liberal party can get from the British School of Motoring, the better?

The Prime Minister: I do not know the policies of the Liberal party or the SDP on nuclear deterrence. They seem to be at sixes and sevens. The Conservative party is the only one that has a firm policy. The Government's policy is that of a firm independent nuclear deterrent, the firm defence of everything in which we believe and honourable and loyal membership of the NATO Alliance.

Mr. Winnick: Is the Prime Minister aware that, following Brecon and Radnor, many Labour supporters would welcome the appointment of the Secretary of State for Trade and Industry as chairman of the Conservative party? Is she further aware that Labour supporters could hardly ask for more than she and the Secretary of State being principally responsible for putting across the Government's message?

The Prime Minister: Labour supporters have nothing to boast about at present.

Mr. Dykes: On economic management, is not the reality that we need all the instruments of economic demand management, including lower interest rates, lower taxes and more capital spending on public and private account to create new jobs?

The Prime Minister: I would dearly like to have more capital spending, but not more total spending. My hon. Friend will be aware that if we want more capital spending, we must have less current spending, unless we put a higher burden of taxation on the working population. We are not entitled to put a higher burden of taxation on

the 40 per cent. of pensioners who pay income tax, or on the 41 per cent. of those who pay income tax but who earn below average male earnings. My hon. Friend will find that we are following the right overall policy.

Mr. Donald Stewart: Is the right hon. Lady aware that, although reductions in income tax for the lower paid will be generally welcomed, it is grossly offensive to the bulk of wage and salary earners to presume that their first priority is a reduction in income tax? Most people are not so greedy and selfish as to have that as their main aim. They would prefer action by the Government to put the unemployed back to work.

The Prime Minister: I believe that most people think that they are entitled to a larger share of their hard-won earnings in their own pockets. If the right hon. Gentleman takes a different view, perhaps he will say how much tax he would levy on those many people who would prefer to have their taxation reduced.

Q5. **Mr. Dubs** asked the Prime Minister if she will list her official engagements for Tuesday 9 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Dubs: Is the Prime Minister aware that during the first five years of her Government the crime rate increased by nearly 40 per cent.—about double the rate during the five years under the last Labour Government? Despite all her talk about pledges on law and order, more money for the police, and so on, is it not a fact that the criminals have never had it so good?

The Prime Minister: I believe that we have never had a more effective police force or one with higher morale and greater efficiency. I should have thought that the hon. Gentleman would join in congratulating the police on their excellent record.

NEW MEMBER

The following Member took and subscribed the Oath:

Richard Arthur Lloyd Livsey, Esq., for Brecon and Radnor.

STATUTORY INSTRUMENTS, &C.

Mr. Speaker: By leave of the House, I shall put together the Questions on the nine motions relating to statutory instruments.

Ordered,

That the draft Merchant Shipping (Fire Protection) (Ships Built Before 25th May 1980) Regulations 1985 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Merchant Shipping (Fire Protection) (Amendment) Regulations 1985 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Merchant Shipping (Fire Appliances) (Amendment) Regulations 1985 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Agricultural Products Processing and Marketing (Improvement Grant) (Amendment) Regulations 1985 be referred to a Standing Committee on Statutory Instruments, &c.

That the Agriculture and Horticulture Development (Amendment) Regulations 1985 (S.I., 1985, No. 1025) be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Agriculture Improvement Regulations 1985, be referred to a Standing Committee on Statutory Instruments, &c.

That the Agriculture Improvement Scheme 1985 (S.I., 1985, No. 1029) be referred to a Standing Committee on Statutory Instruments, &c.

That the Severn Bridge Tolls Order 1985 (S.I., 1985, No. 726) be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Maximum Number of Judges (Scotland) Order 1985 be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr. Garel-Jones.]*

EUROPEAN COMMUNITY DOCUMENTS

Mr. Speaker: By leave of the House, I shall put together the Questions on the two motions on European Community documents.

Ordered,

That European Community Documents Nos. 9153/82 and 6544/83, draft Directive and Amendment on crude oil saving through the use of substitute fuel in petrol; and 8369/83 and 7959/84, draft Directive and Amendment on rationing for commercial and road transport between Member states in the case of fuel shortage, be referred to a Standing Committee on European Community Documents.

That European Community Documents Nos. 10211/82, draft Directive concerning the labelling, presentation and advertising of [illegible], cider and perry, and 9452/83, two draft Regulations laying down rules for the description and presentation of wine, grape must and special wines, be referred to a Standing Committee on European Community Documents. — *[Mr. Garel-Jones.]*

Criminal Justice (Scotland) (Amendment)

3.33 pm

Mr. Gerald Malone (Aberdeen, South): I beg to move,

That leave be given to bring in a Bill to impose a mandatory minimum sentence of three months' imprisonment in respect of persons of 21 years of age or over or of three months' detention in respect of any person who is not less than 16 but under 21 years of age who is convicted of the offence of breach of the peace or any offence involving violence against a third party committed within the relevant area of a designated sports ground or a public service vehicle or railway passenger vehicle being operated for the principal purpose of conveying passengers to or from a designated sporting event.

The purpose of the Bill which I seek to introduce is to amend the Criminal Justice (Scotland) Act. It is yet another measure of a sort that we have seen before the House this Session to stamp out football violence. As the nation watched with growing disbelief the shame of Britain at the Heysel stadium some months ago, two important lessons hit home. The first was that football matches were without doubt the chosen arenas for those who have the 20th century gladiatorial instinct. The second was that our complacency on this problem has endured for too long.

We have seen considerable progress with the passage of legislation, with all-party support, to ban alcohol at designated sporting events throughout the United Kingdom. It seems almost unbelievable that what we were told by England and Welsh Members a few months ago was impossible is now in legislative form and will be on the statute book before the end of the Session.

We in Scotland have had the benefit of similar legislation for about five years, and it has worked well, but each of those five years is a silent witness to our incapacity and unwillingness until now to grasp what has been an ever-increasing and growing problem throughout the United Kingdom. However, the Bill applies especially to Scotland. It is a timely reminder that we in Scotland risk falling into the same complacency trap. We pride ourselves on having avoided it, but unfortunately football violence is again escalating within Scotland.

There is a new villain who is attending Scottish football matches, and he is called the soccer casual. He is dressed in smart clothes. He is usually dressed in denims and a cashmere sweater. He is fairly respectable looking. He will have a short haircut and often he will be middle class with a considerable amount of money in his pocket. He is also brutal. He is a sort of Sunday supplement soccer hooligan and he is new on the Scottish scene. For him, fines are no deterrent. It is a badge of honour for him and his friends to appear before a court, to be found guilty of an offence and to be fined. These new hooligans collectively shrug that off. If we are to tackle this new menace, we shall need a new form of specific deterrent.

The problem is a real one. During a recent Scottish sheriff court case, a document was provided to the court which showed clearly that Aberdeen soccer casuals were intent, having run riot in Scotland during the past year, on taking the problem south of the border. The document revealed that they were issuing a challenge to fans in England to try to meet the standard of behaviour that they had been displaying in Scotland.

The Bill seeks to impose mandatory minimum sentences on soccer thugs. It will do two things. First, I believe that it will underline our determination as a legislative body to fight soccer thuggery wherever and whenever it occurs. That will be apparent in the United Kingdom and, at a sensitive time, abroad as well.

The Bill will support our police forces, which are finding it difficult to cope with the new phenomenon of the soccer casuals. It will provide a sharp edge to their efforts to isolate and to stamp out this form of violence. It will emphasise that no act of violence, however small, can be tolerated within the grounds of a football stadium. However small the initial act of violence, it will not matter. The lesson that we learnt from the events within the Heysel stadium was that small acts of violence can lead to larger riots. If we are to see soccer progress and to continue as something approaching a national sport, we cannot allow violence to continue.

Many of our football clubs, including many in Scotland, are rising to the modern challenge of football thugs. In the Aberdeen football stadium a substantial amount of investment has been made and the club has shown its willingness, and its faith in its supporters, to stamp out hooliganism. Football clubs which attempt to do this deserve the support of legislation. When the Aberdeen football club sends its supporters abroad to European events, it sends them as ambassadors for Aberdeen and Scotland as well. However, unless we stamp out the menace of soccer casuals, that could change.

The Bill is a step towards bringing the family back to the football stadium in Scotland and towards re-establishing the image of one of our most important national sports. I hope that it will receive the support of the whole House.

Question put and agreed to.

Bill ordered to be brought in by Mr. Gerald Malone, Mr. Michael Hirst, Mr. Albert McQuarrie, Mr. John Corrie and Mrs. Anna McCurley.

CRIMINAL JUSTICE (SCOTLAND) (AMENDMENT)

Mr. Gerald Malone accordingly presented a Bill to impose a mandatory minimum sentence of three months' imprisonment in respect of persons of 21 years of age or over or of three months' detention in respect of any person who is not less than 16 but under 21 years of age who is convicted of the offence of breach of the peace or of any offence involving violence against a third party committed within the relevant area of a designated sports ground or a public service vehicle or railway passenger vehicle being operated for the principal purpose of conveying passengers to or from a designated sporting event: And the same was read the First time; and ordered to be read a Second time upon Friday 25 October 1985 and to be printed. [Bill 186.]

PROCEDURE (FUTURE TAXATION)

Resolved,

That, notwithstanding anything to the contrary in the practice of the House relating to matters which may be included in Finance Bills, any Finance Bill of the present Session may contain provisions taking effect in a future year with respect to the exemption from capital gains tax and corporation tax on chargeable gains of gains on disposals of gilt-edged securities and qualifying corporate bonds.—*[Mr. Garel-Jones.]*

WAYS AND MEANS

STAMP DUTY (RENOUNCEABLE LETTERS OF ALLOTMENT ETC.)

Resolved,

That provision may be made restricting the exemptions from duty provided by section 65(1) of the Finance Act 1963 and section 14(1) of the Finance Act (Northern Ireland) 1963.

GROUP RELIEF

Resolved,

That provision may be made with respect to relief under section 258 and the following sections of Chapter I of Part XI of the Income and Corporation Taxes Act 1970 (group relief).

WITHDRAWAL OF CERTAIN TAX CREDITS

Resolved,

That provision may be made for and in connection with the withdrawal in certain cases of relief under section 86 of the Finance Act 1972 (tax credit for certain recipients of qualifying distributions) in respect of distributions made on or after 1st April 1985.

SECURITIES (No. 2)

Resolved,

That charges to income tax and capital gains tax may be imposed by provisions about transactions occurring on or after 1st January 1985 in relation to securities.—*[Mr. Moore.]*

Orders of the Day

Finance Bill

Not amended *(in the Committee)* and as amended *(in the Standing Committee)*, considered.

3.41 pm

Mr. Brian Sedgemore (Hackney, South and Shoreditch): On a point of order, Mr. Speaker. I accept that your discretion in which new clauses should be debated, is absolute, but I wonder whether you could give me some help, as I am in extreme difficulties. New clause 14 stands in my name and in the names of 133 of my right hon. and hon. Friends. Its purpose is to reduce the tax liabilities of Johnson Matthey on the ground that its shareholders have been the subject of fraud by people to whom loans have been made by the auditors and directors.

I do not intend to deal with the merits or otherwise of the clause, but when it was found yesterday that it was not on the provisional selection list I wrote a letter to you, Mr. Speaker, saying that right hon. and hon. Members were putting their names in droves to it. In fact, 134 right hon. and hon. Members have now put their names to it. This is an unusually high number and shows the extraordinary strength of feeling by the Opposition about this matter.

When I came in this morning I understood that you were having another look at the list. As new clause 14 was not on the list, I have been back to Hackney and discussed the selection with some of the people there. They have said to me, possibly wrongly, that they know that my intention, as a representative of the poorest borough in the country, is to criticise some of the richest and most powerful people in the City. They believe that the Establishment will not let me get away with this. You know that the Chancellor of the Exchequer and I had a brush about whether or not there is fraud in this House. He was wrong and I was right. I have here a file which contains only a fraction of what I know about fraud at Johnson Matthey. We are discussing a Finance Bill to which a new clause has been tabled which I am told is in order and 134 right hon. and hon. Members wish to discuss it, and it is extraordinary that it is not to be called. We need your help on this matter, Mr. Speaker.

Mr. Dennis Skinner (Bolsover): Further to that point of order, Mr. Speaker, I wonder whether we could find a way round this problem. The Bill is to be discussed not only today but tomorrow, which means that there will be ample opportunity for you to have consultations and to find ways and means by which this matter can be discussed in the House. It has not been dealt with properly. My hon. Friend the Member for Hackney, South and Shoreditch (Mr. Sedgemore) has information which is very important. The proper democratic processes should be carried out. We have had only a statement on Johnson Matthey. We have been refused a debate by the Government. It seems that we are being gagged everywhere we go.

It is well known that many people prominent in Tory circles have some connection with Johnson Matthey and what took place. We are concerned about the fact that the Governor of the Bank of England, Leigh-Pemberton, was put there by the Prime Minister because he was, in her words, "one of us."

[Mr. Dennis Skinner]

It is imperative, therefore, that we debate this matter. We appeal to you, Mr. Speaker, to find a way to enable this issue to be dealt with, if possible as we discuss the Bill.

Mr. D. N. Campbell-Savours (Workington): You will know, Mr. Speaker, that I was the hon. Member who originally tabled the nine new clauses in an effort to extract a debate on Johnson Matthey. However, of the nine, only two were found to be in order. I tabled those new clauses because people inside and outside the House were asking why Parliament had so far failed to discuss the matter.

Time and again the Leader of the House has refused at business question time on Thursdays, when answering questions from my hon. Friends and me, to allocate time for a debate. Thus, the only means available to us to secure a debate was to table the new clauses. We hoped that, if they proved to be in order, you, using your discretion, Mr. Speaker, would allocate time for such a debate.

While not questioning the decisions that you make, Mr. Speaker — and I am sure that in making them you consult widely with those concerned with all the issues —I gather that it is within your power, even at this late stage, to reconsider your selection. Overnight, 134 of my hon. Friends put their names to the new clauses. At least another 50 would have signed had there not been a deadline of 9 pm in the Public Bill Office for the submission of names. Indeed, as many as 200 might have submitted their names by this morning.

Is that not an indication of the concern among hon. Members about the need for this whole issue to be fully discussed? In the light of that expressed concern, will you reconsider your decision, Mr. Speaker? The country wants to know what has happened. People cannot understand why Parliament refuses to debate the subject, particularly as, potentially, several hundred million pounds of public money is directly involved in saving this bank?

Mr. Speaker: I received a letter from the hon. Member for Hackney, South and Shoreditch (Mr. Sedgemore) asking if I would look into the matter again. I have spent a considerable time considering the matter. I well understand the interest of hon. Members and I appreciate that overnight a large number of hon. Members added their names to the new clauses. However, I am not able to change my selection, and I have nothing further to say on the subject.

Ordered,

That the Finance Bill, as amended, be considered in the following order, namely, New Clauses in the name of Mr. Chancellor of the Exchequer (NC24, NC30 and NC32), other New Clauses except that in the name of Mr. Roy Hattersley and relating to mitigation of corporation tax liability of industrial and provident societies and housing associations (NC9), that excepted New Clause, Amendments relating to Clause 1, Schedule 1, Clauses 2 to 4, Schedule 4, Clauses 5 and 6, Schedule 3, Clause 7, Schedule 4, Clause 8, Schedule 5, Clauses 9 to 12, Schedule 6, Clauses 13 to 23, Schedule 7, Clauses 24 to 30, Schedule 8, Clauses 31 to 40, Schedule 9, Clauses 41 to 45, Schedule 10, Clauses 46 and 47, Schedule 11, Clauses 48 to 53, Schedule 12, Clauses 54 and 55, Schedule 13, Clause 56, Schedule 14, Clause 57, Schedule 15, Clauses 58 to 63, Schedule 16, Clauses 64 and 65, Schedule 17, Clauses 66 and 67, Schedule 18, Clause 68, Schedule 19, Clauses 69 to 73, Schedule 20, Clause 74, Schedule 21, Clauses 75 to 81, Schedule 22, Clauses 82 to 89, Schedule 23, Clause 90, Schedule 24, Clauses 91 to 94, New Schedules and Amendments relating to Schedule 25. —*[Mr. Peter Rees.]*

New Clause 24

RENOUNCEABLE LETTERS OF ALLOTMENT ETC.

'(1) Subsection (2) below applies where there is an arrangement whereby—

(a) rights under an instrument are renounced in favour of a person (A),

(b) the rights are rights to shares in a company (company B), and

(c) A, or a person connected with A, or A and such a person together, has or have control of company B or will have such control in consequence of the arrangement.

(2) The instrument shall not be exempt by virtue of section 65(1) of the Finance Act 1963 (renounceable letters of allotment etc.) or section 14(1) of the Finance Act (Northern Ireland) 1963 (corresponding provision for Northern Ireland) from stamp duty under or by reference to the heading "Conveyance or Transfer on Sale" in Schedule 1 to the Stamp Act 1891.

(3) References in this section to shares in company B include references to its loan capital to which section 126(1) of the Finance Act 1976 does not apply by virtue of section 126(2) or (3) (convertible loan capital and excessive return capital).

(4) In this section "shares" includes stock.

(5) For the purposes of this section a person has control of company B if he has power to control company B's affairs by virtue of holding shares in, or possessing voting power in relation to, company B or any other body corporate.

(6) For the purposes of this section one person is connected with another if he would be so connected for the purposes of the Capital Gains Tax Act 1979.

(7) This section applies to instruments if rights are renounced under them on or after 1st August 1985, except where the arrangement concerned includes an offer for the rights and on or before 27th June 1985 the offer became unconditional as to acceptances.'.—*[Mr. Ian Stewart.]*

Brought up, and read the First time.

The Economic Secretary to the Treasury (Mr. Ian Stewart): I beg to move, That the clause be read a Second time.

This new clause brings to an end the device which goes under the name of the pref-trick, which can be used to avoid the payment of stamp duty on a company takeover or merger in circumstances where relief for papers and paper exchanges would not be available. The pref-trick takes advantage of an exemption from sales duty for renounceable letters of allotment and similar instruments.

The clause accordingly withdraws the exemption where these documents are used in connection with a takeover or the acquisition of a minority holding following a successful bid. It closes a loophole which had become evident. It follows from the arguments that I adduced in Committee in support of the purpose of clause 75, which was clause 74 in the earlier printing of the Bill, and I commend it to the House.

Mr. Terry Davis (Birmingham, Hodge Hill): The Economic Secretary begged as many questions as he answered in that brief introduction of the new clause. Why has it taken so long for the Government to take action to close this loophole? He spoke to the House as if it had recently emerged, but the loophole was known in the accountancy profession more than a year ago. An article in the magazine *Taxation* on 11 August 1984 drew public attention to the loophole. Members of the Opposition are surprised that it has taken nearly 12 months for the Government to take action. One wonders why this new clause is not included in the Bill. Surely the Government had enough notice. If they were not given this advice by civil servants, they could at least have been informed

through reading the press. It is amazing that it has taken so long for the Government to close what is admitted by them to be a loophole.

My second point concerns another loophole, another variant of the pref-trick. If it has taken the Government nearly a year to move as a result of this loophole being publically disclosed in August 1984, may we assume that it will take them the same time to move to close the loophole described in the magazine *Accountancy Age* last week when a Queen's Counsel pointed out that the pref-trick could continue?

Although this new clause closes one aspect of the loophole, it is still open to a purchasing company to avoid duty by subscribing to a few shares in the target company and for the people who control the target company to pass a resolution transferring the value to the purchasing company. In that way there would be a clear avoidance of stamp duty. Will the Economic Secretary say what action he proposes to take in 1985 to deal with a loophole which has been discovered in 1985?

Mr. Ian Stewart: The hon. Member for Birmingham, Hodge Hill (Mr. Terry Davis) asks why the new clause did not appear earlier and was not incorporated in the Bill. The Government and the Revenue were aware for a long time that there were schemes afoot which might be able to circumvent the proposals announced by my hon. Friend the Financial Secretary dealing with the pref-trick. Clause 75 is one of two legs which deal with this problem. It makes exemption legal for paper mergers or takeovers. The counterpart of that is to remove the exemption from sale duty for renounceable allotment letters.

I wish it had been possible to bring forward proposals at an earlier date, but because they are technical it took time to get them into the correct form. I should have liked to be able to announce this at the Committee stage when we were dealing with this subject, but it would have been wrong to have done so before the Government were ready with their solution which is now before the House.

The hon. Gentleman drew my attention to an article in *Accountancy Age* on 4 July. If he looks at that carefully, he will see that the author is not suggesting that the pref-trick can be used if the House accepts new clause 24. What is suggested is that there might be other ingenious methods devised to circumvent the stamp duty provisions. Clearly those are at this stage hypothetical, but the Revenue will remain fully alert to the possibility and I hope that if any valid or potentially successful means of circumventing the provisions as we are proposing them should emerge the Government will be able to take whatever action is necessary.

Mr. Terry Davis: That was a most unsatisfactory response from the Government and a very poor start to the Report stage. Are we being told that the Government have brought forward a one-legged Finance Bill? Why was it not possible to include this new clause when the Bill was published? Surely the Government had enough time between August and March to draft a clause for the Bill. Will the Economic Secretary tell the House why it was not possible to come to this conclusion before? Why were not the Government ready before July 1985?

How much money has been lost since August 1984? How much money has gone through this loophole during the past 11 months, and how much will be lost as a result of the ingenious scheme described in *Accountancy Age* last week? Why will not the Government shut the door before the horse bolts?

Mr. Ian Stewart: The hon. Gentleman asks about the new scheme, but it does not yet exist. There have been suggestions in *Accountancy Age* that such devices might be invented, but unless and until they come forward the Government cannot respond to them.

The problem about new clause 24 is that it is always very much more difficult to close potential loopholes than to make basic provisions in the Bill. The substantial provision in clause 75 validates the availability of exemption from stamp duty that was planned last year. New clause 24 deals with an exploitation of a particular technique attached to the pref-trick system, and until that has been properly analysed and the way to deal with it has been settled it will not be possible to introduce a new clause, although it was announced last month and not today so that it is effective from 27 June.

Mr. Barry Sheerman (Huddersfield): Will the hon. Gentleman answer the question put to him by my hon. Friend the Member for Birmingham, Hodge Hill (Mr. Davis)? Has he been able to make any assessment of the gain to the Revenue as a result of this course?

Mr. Stewart: I am not able to make an exact assessment. It is likely that some transactions that have taken place during the past few weeks would have taken advantage of the new scheme with which new clause 24 deals. I am not able to give a specific answer. If I am able to say more, I shall write to the hon. Member for Birmingham, Hodge Hill (Mr. Davis). He will appreciate that there is some difficulty in a case such as this, because if it is established that in one or two specific cases such a cost to the Revenue has been created it would be through the divulgence of the tax affairs of an individual taxpayer.

Mr. Terry Davis: As it is understood that the tax affairs of individuals are not disclosed to Ministers, how does the Economic Secretary propose to gather evidence about whether this ingenious scheme is being used?

Mr. Stewart: The Inland Revenue is always alert to the ways in which these schemes are being used or are potentially able to be used. I shall look to its advice.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 30

GROUP RELIEF: MODIFICATIONS

'(1) Section 258 and the following sections of Chapter I of Part XI of the Taxes Act (the enactments relating to group relief) shall have effect subject to Part I of Schedule *[Group relief]* to this Act.

(2) Section 263 of the Taxes Act (exclusion of double allowances etc.) shall be amended in accordance with Part II of Schedule *[Group relief]* to this Act and in that Part—

(a) paragraphs 9, 10 and 13 have effect in relation to any claim with respect to an accounting period of the surrendering company which begins on or after 1st August 1985; and

(b) paragraphs 11 and 12 have effect in relation to any claim with respect to an accounting period of the claimant company which begins on or after that date.

(3) In subsection (2) above "the surrendering company" and "the claimant company" have the meaning assigned by section 258 of the Taxes Act.'.—*[Mr. Moore.]*

Brought up, and read the First time.

The Financial Secretary to the Treasury (Mr. John Moore): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to take Government amendments Nos. 56, 159 and 160.

Mr. Moore: Those hon. Members who were not on the Committee will, I hope, appreciate the detailed points that we have set out to help them in this unavoidably complex sector. The proposals given effect to by this new clause and schedule are relatively straightforward. Their main purpose is to allow companies that are at the same time both in groups and in consortia greater flexibility over the use of group and consortium relief for current losses. These are relaxations we have been urged to make in many representations and they will, I am sure, be widely welcomed. They should be particularly helpful to those industries, such as shipping and the emerging cable TV industry, where there are large-scale business ventures for which consortium arrangements are appropriate. These changes will also complement those we introduced last year in section 46 of the Finance Act 1984 which increased the maximum permitted number of member companies in a consortium and allowed some of the members to be non-United Kingdom companies or individuals.

These proposals are those that I announced during consideration of the Bill upstairs we intended to bring forward on Report. As I said then, we have for some time recognised that there is a good case in principle for these changes. The problem has always been that of finding workable solutions that do not entail adding further and excessive legislative and administrative complexity to what is already, technically, a very complex part of the tax code—I would not for a moment underestimate the added complexity encompassed within the new clause. For this reason, we decided initially that first priority in this year's Finance Bill had to be given to other matters. But in view of further representations on this matter since publication of the Bill, both from outside bodies and in consideration of the Bill upstairs, we believe it is right to act now without further delay.

As was argued so ably in Standing Committee by my hon. Friend the Member for Strathkelvin and Bearsden (Mr. Hirst) and the hon. Member for Sedgefield (Mr. Blair), who took an active part in our deliberations at that time, consortium arrangement can be of considerable commercial importance. Indeed, there are many new projects in a wide range of vital industries which are of such a scale that they can be financed only by the use of consortia. However, the effect of the present rules is such that companies concerned may not always be able to make full use of relief for current tax losses in this kind of arrangement, and our proposals are designed to remove these anomalies whilst—and this was the point which the hon. Member for Sedgefield quite rightly raised in Committee—seeking to ensure that in total no more than the right amount of relief is given and to the right companies. That is equally important.

4 pm

In this new clause and schedule we are proposing two main relaxations to the group relief provisions. Both of these proposals concern cases where a company is at the same time in the same group as one or more other companies and is also either a company jointly owned by a consortium or one of the joint owners of a consortium company.

I will deal with the changes very briefly rather than go into the detail we went into in Committee. First, under the present rules, if such a company has a loss or certain other excess reliefs, that loss may be surrendered to members of its own group as group relief, or it may be surrendered between the jointly owned consortium company and the companies which own it as consortium relief. But it cannot be surrendered partly as one and partly as the other. That is to say mixed surrenders are not at present permitted. For the companies concerned, this has meant that loss relief has been given later by carry forward rather than sooner by surrender sideways, in the current period. The first relaxation we propose is to allow such mixed surrenders, subject to certain conditions.

Second, at present, if a member of a jointly owned consortium company cannot make use of its share of that company's loss perhaps because it too has losses in the corresponding period, then its share can only be carried forward or back by the jointly owned consortium company. It cannot flow through and be claimed by other companies in the consortium member's group. Similarly, losses cannot at present flow through in the reverse direction, where a company in the consortium member's group has losses and the jointly owned consortium company has profits. This has meant that groups have had to think very carefully about which group member should own the group's interest in the consortium. The choice has often had to be dictated by tax rather than commercial reasons, and if the projections of future profits and losses of companies in the group turned out to be wrong—and they often do—this relief has been lost. The second relaxation we are now proposing will make it possible for consortium relief to flow through in these circumstances, in both directions, again subject to certain conditions.

These, then, are two desirable relaxations. We did not have the privilege of the company on the Standing Committee this year of my hon. Friend the Member for Croydon, South (Sir W. Clark), but I know that he was associated for some years with amendments on this subject. I am sure that the relaxations will also be warmly welcomed by people outside. Generally speaking, their effect will be to enable the companies concerned to get relief for any losses earlier than would otherwise be possible. These changes are simple enough in concept. To achieve them, however, I fear that, as Members will see, some fairly complicated legislation is required. This is partly because we are here dealing with possibly quite complex configurations of companies. But it is also because we need—and I stressed this in Committee—some new rules and some tightening up of certain existing rules to ensure that only the right amount of relief is given, and to the right companies, where there are these now somewhat complex mixed and multiple claims.

Mr. Tony Blair (Sedgefield): Identifying the problem which the new clause addresses was relatively easy, but, as we thought, a solution has proved extremely difficult. These are complex legislative provisions and I should like to put one or two questions to the Financial Secretary about them, in order to make sure that at the same time as we are dealing with an anomaly we are not opening up undue possibilities of avoidance.

The two problems with which the new clause deals are mixed claims. The first is where the consortium company makes a loss and is prevented from surrendering it to its subsidiary company or to a member company. It can

surrender it to one or the other, but not to both. The second problem relates to flows, where a member company in the consortium has no profits against which the consortium company can set off losses, but members of the same group as that consortium member company have losses. This clause would enable flows across group members. The effect of new clause 30 is essentially to allow a consortium company to be treated as a full group member so that losses can be spread.

In general, we consent to the proposition advanced by the clause, but I should like some assurances on the record about avoidance or abuse. When we discussed this matter in Committee, the Financial Secretary rightly said that only a proportionate share of the losses of the consortium company should be allowed to be spread over the member companies or companies within the group of the consortium company. I should like an assurance that that is what these complicated legislative provisions do. If the amount of legislative print is any guide to the strength of the anti-avoidance provisions, they should be very strong indeed. However, as we know only too well, if even a small chink of avoidance appears the purpose of the clause can be subverted. I therefore ask for an assurance on the spreading of the proportionate share of the overall losses.

Am I right in thinking that the group or consortium relationship must exist throughout the entirety of the relative accounting period? That is important for avoidance purposes.

Finally, I asked upstairs what the cost, if any, of the introduction of this type of clause would be, and I was told that it was unlikely to be significant. On more detailed consideration, is there any flesh that the Financial Secretary can put on the bones of that remark and tell us exactly what we are debating? Such a clause is necessary because of the anomaly which had to be dealt with. We would like assurances that we are not initiating further anomalies at the same time as abolishing this one.

Sir William Clark (Croydon, South): This new clause shows that the Treasury is one Department where we have to persist for probably double the time we have to persist with any other Department. I welcome the change of emphasis on the part of the Treasury.

Over the years the lack of this consortium relief has inhibited the expansion of some businesses. I am delighted that this is going to be remedied. No matter what this clause does—I am as much against avoidance as anyone else in the House—it will mean that a loss can only be used once. If a loss is incurred in a consortium and it is used, then, provided it is not used again, there cannot be any avoidance at all.

I take the point that it must be in the same accounting period, but any loss in a consortium should be used to the best advantage. In many cases, losses are made in building up expansion of the business, and it is doubly expensive if that loss cannot be set off against other profits.

I welcome the new clause and congratulate my hon. Friend on introducing it.

Mr. Moore: I thank my hon. Friend the Member for Croydon, South (Sir W. Clark). As I said earlier, he has been a persistent advocate in this area and it is nice to see his advocacy rewarded. I cannot, of course, assume, as he does, that it takes longer to persuade the Treasury to come to a rational set of conclusions.

I should like to give an unreserved assurance to the hon. Member for Sedgefield (Mr. Blair). In Committee, he asked us to look carefully at the possibilities of avoidance. The Government were doing this when I commented on the other new clauses at which we were looking. In so far as the sharing of losses is given, I unreservedly say yes and yes again to the timing of the clause relating to companies years.

The hon. Gentleman will note the particular care that was taken to ensure that "entry in, entry out" was not an avoidance possibility. Devising the proper legislative solution caused great difficulty.

The hon. Member for Sedgefield also asked about cost. I had better not say more than I said in Committee. One feature of the clause is to tighten as well as to relieve. As my hon. Friend the Member for Croydon, South said, this is an area of potentially greater use, with larger projects, so there could be more opportunities for business, but the amount of revenue theoretically at risk is insignificant.

The hon. Member for Sedgefield will remember that we are talking only about the cash flow impact—a timing impact — because the inability to take reliefs in the mixed surrender and flow-through manner merely delays the ability of a company to take relief and does not deny it. I hope that the hon. Gentleman will be satisfied with those assurances.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 32

EXEMPTION FOR GILT-EDGED SECURITIES AND QUALIFYING CORPORATE BONDS

"(1) In section 67 of the Capital Gains Tax Act 1979 (gains on disposals of gilt-edged securities and corporate bonds held for 12 months not to be chargeable gains)—

(a) in subsection (1) the words from "except" to the end of the subsection shall not apply if the disposal occurs on or after 2nd July 1986; and

(b) subsections (2) and (3) shall not apply in relation to disposals on or after that date.

(2) With respect to disposals occurring on or after 2nd July 1986—

(a) in section 270 of the Taxes Act (charge to tax on certain disposals of United Kingdom securities) at the end of subsection (6) there shall be added the words "or qualifying corporate bonds, within the meaning of section 64 of the Finance Act 1984";

(b) in section 84 of the Capital Gains Tax Act 1979 (compensation stock), in subsection (4) for paragraphs *(a)* and *(b)* there shall be substituted the following paragraphs—

"*(a)* shall, so far as possible, be identified with securities which were issued to him as mentioned in subsection (1) above rather than with other securities of that kind, and

(b) subject to paragraph *(a)* above, shall be identified with securities issued at an earlier time rather than with those issued at a later time"; and

(c) in Part II of Schedule 13 to the Finance Act 1984 (re-organisations etc. involving qualifying corporate bonds) in paragraph 10(1)*(c)* for the words from "if" to "that section" there shall be substituted "on that subsequent disposal section 67 of the principal Act".'.

—[Mr. Peter Rees.]

Brought up, and read the First time.

The Chief Secretary to the Treasury (Mr. Peter Rees): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this, we may take Government amendments Nos. 43 and 44, 79 to 82 and 112 to 122.

Mr. Rees: The new clause amends section 67 of the Capital Gains Tax Act 1979. The amendments are consequential.

The purpose of this complex of provisions is to take gilt-edged securities and corporate bonds, which are defined in the 1979 Act, out of charge to capital gains tax. That will have the desirable consequence of simplifying the scope of the tax, but the main reason underlying the new clause is that there has been a certain asymmetry, because gilt-edged securities and corporate bonds have not been within the charge to capital gains tax if they have been held for more than 12 months, and it has been found increasingly that those who wish to take a loss on such securities have disposed of them within 12 months and those who wish to take a profit have disposed of them outside 12 months. If follows, therefore, that the Inland Revenue has been conceding losses for tax purposes, but has not been recovering capital gains tax on disposals.

The problem will be accentuated by bond washing and by the indexation provisions. The simplest, cleanest and best solution was thought to be to take gilt-edged securities and corporate bonds out of charge to tax after 2 July 1986 in respect of disposals. The postponement is necessary so that we do not alter the rights or expectations of those who have bought securities up to now.

Mr. Tim Smith (Beaconsfield): It has been suggested in the financial press that the Treasury has done the impossible and abolished a tax while increasing the yield to the Inland Revenue. Can my right hon. and learned Friend confirm that an increase in yield will result from the abolition of the tax?

Mr. Rees: I wish that I could give precise figures. It is likely that there will be an increase in the number of transactions of various kinds and it is just possible that that may increase the yield of capital gains tax. Certainly, there should not be a loss, because taxpayers have been more disposed to take their losses within 12 months and their gains outside 12 months. Therefore, the Inland Revenue has been conceding relief and not taking tax on disposals. My hon. Friend's analysis is correct, but I find it difficult to put a precise figure on the likely outcome.

4.15 pm

Dr. Oonagh McDonald (Thurrock): We are glad to welcome the new clause. I am sure that the Chief Secretary will cast his mind back to the Committee of the whole House when I referred to the abuse of creating artificial losses by transactions in high-coupon gilts. I mentioned "Gremlin Corner" in *Taxation* of 4 May which described this method.

The article stated:

"Another tax planning point is that it will be possible to create . . . an artificial allowable loss by purchasing a high-coupon gilt and selling it within the year (but after 27 February 1986)."

The Chief Secretary said that he would think about what I had said. I am glad that his thoughts have borne fruit, though they seem to have been some time in coming to fruition. It appeared from the Inland Revenue press release of 29 May that the Government were still thinking about the matter and it was not until 2 July that the changes were announced. I am not sure why that thought process took so long; perhaps the Chief Secretary will tell us.

The hon. Member for Beaconsfield mentioned the comments of the financial press. The *Financial Times* said:

"The consequence, the Treasury estimates, will be a significant increase in the long-term yield from capital gains tax."

In view of what the Chief Secretary said earlier, I am not sure why the *Financial Times* refers to Treasury estimates. However, I hope that there will be a

"significant increase in the long-term yield from capital gains tax".

As the Chief Secretary knows, I am constantly anxious about the small amount of revenue that seems to be collected from capital gains tax. The yield has declined from 1 per cent. of total revenue in 1976-77 to an estimated 0·8 per cent. in the current year. I am glad that the Chief Secretary has stopped another form of abuse and we hope that the yield will be increased, though the right hon. and learned Gentleman seems unsure about the amount by which it will be increased.

The *Financial Times* said:

"The main victims of the abolition of the tax on gilts will be the insurance companies. They are the largest group of gilt investors, owning nearly 30 per cent. of outstanding stock. For every one of the last 16 years they have been able to cut their total capital gains tax . . . bill by generating capital losses on their holdings of gilts."

If they are to be the main victims, the potential long-term gains should be quite high.

On the assumption that the Chief Secretary will collect more revenue, what does he propose to do with it? We shall have several suggestions to make during debates on other new clauses, particularly the one on work place nurseries. When the Chief Secretary has decided how much he will get, perhaps he will smile more kindly on our new clauses. The Opposition has many good causes, unlike the Government. I hope that the Chief Secretary will take this opportunity to provide the money that poor people desperately need.

Mr. Peter Rees: I shall respond briefly to explain why there was a delay. I will plead guilty to an even longer delay, because although we were enthralled by the possibilities of tax avoidance which the researches of the hon. Member for Thurrock (Dr. McDonald) had unearthed and which were disclosed in Committee, I had foreshadowed in my speech on Second Reading on 8 May the possibility of action. The hon. Lady will appreciate that these matters are of some complexity. We felt that it was right to try to devise the right solution, and we hit on this solution only after considering the possibilities. I hope that it commends itself to the House.

As to what we would do with increased revenue, I must tell the hon. Lady that we continue to adhere to the principle of Gladstonian finance. I say that to bring the alliance, or the sole Liberal Member present, alongside us on this matter. We pay the revenue into a central fund, and do not believe in the hypothecation of tax, although we could, if it were in order, have an interesting debate about whether we should.

Although many good causes will be advanced—I am sure that on reflection the hon. Lady would not claim a monopoly of good causes for the Opposition—I must respectfully decline to say to what particular good cause any or part of the general funds, which might be thought to represent this, may be devoted. We shall bear in mind any useful suggestions from either side of the House.

Mr. Tim Eggar (Enfield, North): Will my right hon. and learned Friend comment on the corporate planning point and the abolition of CGT for that? Will he confirm

that this is a further measure which the Government are taking to reactivate the market, and that the Government remain committed to the reactivation of that market?

Mr. Rees: I hope that that will be a further attractive consequence of the measure. It was not the Government's principal motive, but my hon. Friend, with his usual sharpness of perception, was right to draw attention to it. We hope that the market for this kind of bond will loosen up. It is noteworthy that the markets and financial commentators generally have viewed the clause with a certain amount of approbation.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 1

WORKPLACE NURSERIES

'(1) In section 62 of the Finance Act 1976 (exceptions from general charges on benefits) after subsection (8) there shall be inserted the following subsections:

"(9) Section 61 above does not apply to a benefit consisting in the provision by the employee's employer of day-care facilities in a registered nursery for a child or children of the employee where such facilities are provided for the children of staff generally.

(10) The provisions of subsection (9) above shall be deemed always to have had effect."

(2) In section 72 of the Finance Act 1976 (interpretation of the Chapter charging benefits) after subsection (12) there shall be inserted the following subsections:

"(13) For the purposes of this Chapter "a registered nursery" means a nursery registered with a local authority in accordance with the provisions of the Nurseries Act 1948 as amended.

(14) For the purposes of section 62 nursery facilities shall not be regarded as not provided for the children of staff generally when the employer is not able to offer a place in a registered nursery to the children of staff generally solely because of the limited availability of such registered nursery places at or near to the employer's work place or near to the employee's home.

(15) For the purposes of subsection 62(9) above "child" means such person in respect of whom the employee is entitled to relief under the provisions of section 14 to the Income and Corporation Taxes Act 1970 or would be so entitled but for the employee's being married."

and the present subsection (13) of section 72 shall accordingly become subsection (16).'.—*[Mr. Terry Davis.]*

Brought up, and read the First time.

Mr. Terry Davis: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Mr. Harold Walker): With this it will be convenient to take new clause 4 — *Exemptions from general charges on benefits (registered nursery)*—

'1. In section 62 of the Finance Act 1976 (exemptions from general charges on benefits) after subsection (8) there shall be inserted the following subsections:

"(9) Section 61 above does not apply to a benefit connected with the provision by the employee's employer of day-care facilities consisting in a registered nursery for a child or children of the employer where such facilities are provided for the children of all staff generally.

(10) 'Provision' in subsection (9) above shall not be confined to the provision of facilities on the employer's premises but shall include payments made by the employer in respect of the provision of day care facilities made available by any other person.

(11) Payments made by any employer in relation to the provision of day care facilities in subsections (9) and (10) above, whether meeting a liability of the employer or of an employee to whom those facilities are made available, shall not be assessable on the employee under schedule E."

2. In section 72 of the Finance Act 1976 (interpretation of the Chapter charging benefits) after subsection (12) there shall be inserted the following subsections:

"(13) For the purposes of this Chapter 'a registered nursery' means a nursery registered with a local authority in accordance with the provisions of the Nurseries Act 1948 as amended.

(14) For the purposes of subsection 62(9) above 'child' means such person in respect of whom the employee is entitled to relief under the provisions of section 14 to the Incomes and Corporation Taxes Act 1970 or would be so entitled but for the employee's being married, and who is below the statutory school entry age."

The present subsection (13) of section 72 shall accordingly become subsection (15).'.

Mr. Davis: The purpose of the new clause is to overrule the decision of the Inland Revenue and the Government to make people pay income tax on the contributions which are made by their employers towards the cost of providing workplace nurseries. As the name suggests, a workplace nursery is usually provided at the place of work—an office, factory or hospital—for the children of the people who work at that location.

Usually, the cost of the nursery is shared between the employee, or parent, and the employer. I emphasise that the parent pays. Almost always the parent makes a substantial contribution towards the cost of providing the workplace nursery, and pays from his or her income after tax.

I emphasise that many employers see the provision of nurseries as being in their interests, especially when their employees possess scarce skills. It is often in an employer's interests to encourage women to return to work after childbirth as quickly as possible. Some employers also recognise that it is in the interests of the community and society to provide genuinely equal opportunities for women, and that unless nursery places are provided for women with children, women cannot enjoy equal opportunities with men.

Trade unions and employers often recognise that it is in the interests of society to provide nurseries so that single parents can take up opportunities for employment. I am thinking of the widowed, the divorced and the separated. Single parents are usually women, but sometimes men, who have been widowed, divorced or left with the custody of children. Generally speaking, women are left with the responsibility of bringing up children after a marriage has ended through death or some other event.

It is therefore recognised that it is in the interests of those single parents to be able to take employment, and to do that they need the facility of a nursery. During the past 30 years, progressive employers, who recognise their social obligations, have increasingly provided workplace nurseries.

Mr. Eggar: I follow the hon. Gentleman's analysis, but if he uses those premises, why does his amendment not go further and, for example, cover the position where an employer may choose to provide not a workplace nursery, but a child minder to look after a child?

Mr. Davis: The clause does not cover that because we are dealing with a change in the practice of the Inland Revenue which concerns workplace nurseries. Money paid by an employer to an employee to employ a child minder

[Mr. Davis]

has never been relieved of income tax, but for decades employers' contributions to workplace nurseries have been tax-exempt.

Mr. Tim Smith: They have not.

Mr. Davis: As is often the case, the hon. Member for Beaconsfield (Mr. Smith) chooses to intervene from a sedentary position. I hope that he will seek to catch your eye, Mr. Deputy Speaker, so that we can analyse his speech. It will be the first time that he has spoken in such a debate.

The Government should encourage the provision of workplace nurseries, which are especially important for single parents. It must be in the Government's interest to encourage single parents to support themselves and their families instead of forcing them to depend on social security. It is also in the community's interests for single parents to be given the opportunity to serve it. That is nowhere more true than in the National Health Service.

I would have expected the Government to support me, but 18 months ago a decision was taken to charge income tax on the contributions of an employer to the cost of providing a workplace nursery. I emphasise that the tax applies only to someone who is paid or receives a total of £8,500 a year, but in calculating that income the Inland Revenue takes into account the employer's contribution to the cost of providing a workplace nursery. Therefore, a person is taxed both on his wages and on the employer's contribution to the nursery.

It is common for a well-run nursery to cost £4,000 a year per child. *[Interruption.]* I realise that I am telling the hon. Member for Beaconsfield things that he does not know, but the Financial Secretary will endorse my figures.

Mr. Tim Smith: Will the hon. Gentleman confirm that he is advancing the cause of an elite minority? The number of taxpayers affected by the new clause is about 2,000.

Mr. Davis: We shall see whether the people involved are called an elite minority by my hon. Friends and, indeed, Conservative Members because I shall put that point to the hon. Gentleman later. If an employee pays £30 a week towards the cost of a nursery and the employer pays £50 a week, the Inland Revenue adds £2,600 to the employee's wages in calculating the liability to income tax on the employer's contribution to the nursery. If somebody is paid £120 a week, or £6,000 a year—a fairly low salary for a typist in central London — that person becomes liable to income tax on the employer's contribution towards the cost of providing a place for a child at a nursery.

It was the Government's view, and I believe it still is the Treasury's, that liability to tax has existed since 1948. I regard that as a half-truth. Perhaps the liability existed in theory, but it did not exist in practice. There is plenty of evidence to support my contention. It is well documented that the Equal Opportunities Commission was advised by the Inland Revenue in 1979 that there was no liability to income tax on an employer's contribution towards the cost of providing a workplace nursery. The Consumers Association was advised several times that there was no liability to tax. It was so advised from 1976 to 1982 and included that advice in the *Which?* magazine tax guide.

4.30 pm

I do not blame the Inland Revenue for giving such advice. Workplace canteens were exempt from liability to tax in 1948, as were car parks, social clubs and sports facilities. It can be argued that the benefit of such facilities is small, but that is not always so. It can be extremely expensive to provide a car park, expecially in central London. It can also be expensive to provide sporting facilities if they are used by a minority of employees.

It should be clear that the Opposition are not suggesting the imposition of tax on car parks, social clubs, sports facilities or even the office or factory canteen. However, we believe that workplace nurseries should be put on exactly the same basis. For several years, the Inland Revenue advised that workplace nurseries were in the same category as canteens and other benefits for which concessions are given on an extra-statutory basis. In a letter of July 1984, the Financial Secretary admitted to me that the advice was given by "mistake".

The Inland Revenue decided to levy tax when, in 1983, it received a specific inquiry about tax liability on workplace nurseries from an employer. I refer, of course, to the Kingsway children's centre. We went into detail about that centre in Committee and on Report one year ago. I shall not repeat the facts, but there is a mistaken belief that workplace nurseries are an issue only for people who live in London and that they are provided for employees of organisations such as London Weekend Television and trade unions such as the Nationl Association of Local Government Officers.

There is also a mistaken belief that workplace nurseries are provided only for single parents. Nurseries are provided throughout the country for people in many different types of employment who are as likely to be part of a two-parent family as a one-parent family.

I have discovered that such nurseries are often provided in the National Health Service. There is a workplace nursery at the All Saints hospital in Birmingham. I am not telling the Inland Revenue anything that it does not know —it is not my task to set it on the parents who are enjoying the benefit of a workplace nursery. There are 56 children at that nursery and there is a waiting list of 40. Parents who are able to send their children there pay £5 a day, or £1,250 a year.

Nobody knows how much the hospital contributes. It has never previously been thought necessary to spend time calculating the cost of the nursery. Everybody involved in running the NHS in the west midlands accepts that the nursery benefits the NHS and people working in it. Most of the parents who send their children to the nursery work at All Saints, at Dudley road hospital, or as community health visitors. A health visitor is paid about £6,000 a year. If the hospital can calculate its contribution, it is likely that those parents will be charged income tax.

Most of the parents are nurses, who are paid even less than health visitors. Some are student nurses or student doctors. Most parents are not one-parent families, and often have returned to the hospital to take a further course of training. The Government now insist that the hospital calculates the cost of running the nursery so that they can tax each parent on the benefit. If parents cannot afford to pay, the Government will drive them to use unqualified child minders.

The All Saints day nursery might be unique in Birmingham, but it is not unique in the west midlands. Parents pay similar sums of money for a nursery at

Sandwell district hospital, and nobody knows the cost to the hospital. It benefits about 35 children. Such provision means that the children of doctors, nurses, health visitors, cleaners, domestics and a carpenter mingle. They stay open from 7 am until 6 pm, thus enabling the parents to work the unsocial hours often associated with hospitals.

At worst, the Government's decision to tax employers' contributions to workplace nurseries will drive single parents back on to social security. At best, it will create work for the NHS simply to tax nurses and others who work for it. Such people serve the community. In the person of the Secretary of State for Social Services, the Government have made life difficult enough for those people recently. The Financial Secretary is now adding to their difficulties by insisting on taking his cut from their wages.

Mr. Tony Baldry (Banbury): The purpose of my new clause 4 is identical to that of new clause 1.

I wholeheartedly support the Government's desire to tackle tax perks. Pay perks are divisive and distortive. We must tackle wage inflation if we are to compete effectively with our overseas rivals, but it is pointless exhorting hourly paid employees to accept wage constraint if they can see middle managers and others enjoying pay perks.

The question, however, is whether employer help towards the provision of nursery places is a perk. I submit to the House that it is not and accordingly should not be taxed as if it were. Employer help towards the provision of nursery places is a means of enabling many to participate in the labour market who would otherwise be denied that opportunity.

Let me illustrate. If I am a middle manager, my employment is not dependent upon my having a car. I would doubtless in most instances get to work by train or by bus. The provision of a car is in part a perk. It is part of my remuneration package and thus should clearly be taxable. However, a single mother with a child or children below school age is in a different position. The mother's ability to participate in the world of work will be dependent on her finding someone to care for her child or children while she is at work. The provision of a nursery place is not part of her remuneration; rather it is a means whereby she can participate in work. Without it, she would not be able to work whereas without the company car the middle manager would still be able to work.

Mr. Neil Hamilton (Tatton): I am a little perplexed at the distinction that my hon. Friend seeks to draw between those who are making use of workplace nurseries and those who choose to live in a place where public transport is non-existent and who have no transport of their own. In those circumstances, of their own volition they have placed themselves in a position where it is more difficult or impossible to put themselves in the labour market. I cannot see why my hon. Friend seeks to draw a distinction as to the taxable nature of the benefit in kind where it is provided by an employer on the basis that he describes.

Mr. Baldry: That was not, with respect, the distinction I was seeking to make. A middle manager with a company car would be able to work whether or not he possessed that car. There are many single mothers who, if they did not have access to nursery provision, would not be able to work. Therein, in my submission, lies the difference between a perk which should be taxed and a facility to employment such as the employer helping to provide nursery places — which, in my view, should not be taxed.

Put another way, creches should not be taxed because they are not benefits in the sense of conferring any actual advantage on the employee; rather they are facilities which remove an impediment to the employment prospects of some groups in the community.

My right hon. Friend the Prime Minister recently told the House:

> "This country has the second highest proportion of women in the labour force in the European Community. The long-term trend is towards an increase in the number of women at work." —[*Official Report*, 27 June 1985; Vol. 81, c. 1076.]

I know that my hon. Friends on the Treasury Benches wish to see the maximum possible flexibility in the labour market and to remove any conceivable barriers to the supply of labour. Much of the flexibility at present in the labour market is brought about by the participation of women, and an increasing number of women working part time. How then is it sensible to erect a barrier to such flexibility by a fiscal device involving, in budgetary terms, such a small return to the Treasury?

Further, as a member of the Select Committee on Employment and a secretary of the Conservative Back Bench Employment Committee, I am constantly exhorting employers to invest more in the training of their staff. However, in an era of new technology, it is often necessary for employers to invest sizeable sums of money in the training of personnel to operate expensive equipment. Employers are likely to be less than enthusiastic about adequate investment for training if women staff are unable to work because of children, and the employer's investment in that training is thus lost.

Let me give another example. As a community we spend a sizeable sum of money each year training nurses —a three-year training period—but how many trained nurses do we lose each year because, although they would like to continue at work even part-time, they are unable to do so for want of someone to look after their children? What is the cost to the National Health Service of the loss of such trained people? The point has been well made in a recent study of the Blackshaw day nursery at St. George's Hospital—a workplace nursery meeting the needs not of any élite group but of women shift workers in the National Health Service and enabling them to remain in work and, more importantly, the National Health Service to retain skilled employees. In my submission, it seems to make no sense to deny single mothers the opportunity of employment, so that they then become a liability on the state and in receipt of supplementary benefit, and thereby further frustrate flexibility in the labour market.

The amendment is a simple and, I hope, thoughtful and common-sense proposal to exempt workplace nurseries from tax where all employees can participate in the workplace nurseries. I emphasise to my hon. Friends particularly that the amendment has the support of many, including the Association of County Councils when it was under Conservative control, the Association of Metropolitan Counties and many of those particularly concerned with specialist interest employment matters. It has the support of those concerned to ensure the maximum training and the maximum flexibility within the labour

[Mr. Baldry]

market. That includes the Institute of Personnel Management and the Industrial Society. I hope that it is an amendment which will attract the support of the House.

4.45 pm

Ms. Harriet Harman (Peckham): I support new clause 1. The question we should be asking ourselves is whether the Government should use the tax system to hinder the development or the existence of workplace nurseries. The answer, of course, is that they should not.

The facts are these. Most parents work or at least are looking for work. Most mothers work; many mothers with children under five also work. They work because they have to make ends meet and because they want to work. They have every right to work and we need their work. The economy and all the services in this country would collapse if women withdrew from the labour market tomorrow. We also know that the first five years of a child's life are vital for its mental, physical and social development. We know that they thrive on learning from and playing and mixing with other children, especially if they have plenty of space, trained staff and good equipment. It gives the child a head start in life to go to that sort of nursery. That is why parents who care about their children and who are responsible want the choice of decent nursery provision.

A Government survey showed that over 90 per cent. of parents — we are not speaking about a small rump of parents—wants some sort of nursery provision for three, four and five-year-olds. It also showed that nearly 50 per cent. want places for children under three. Instead, the situation is that the child of the working parent has to make do with a patchwork of arrangements. They may be looked after by a child minder who is usually not properly supported or supervised by the local authority, or by relatives or friends, but that is becoming increasingly difficult with the breakdown of old communities. The working mother tears her hair out; it is almost invariably the working mother who tears her hair out. Because of the deep division of labour that exists in the home, mothers still have the primary responsibility for looking after children. I hazard a guess that if child care were shared equally between men and women, the new clause would be accepted with no problem.

Despite the overwhelming demand for decent nursery provision, there is virtually none. Britain's children are Europe's poor relations when it comes to nursery provision. Many Tory-controlled local authorities offer no nursery classes or schools. Gloucester does not provide one nursery class or school for children under the age of five. That is not because there are no children under the age of five in Gloucester, but because the local authority will not meet their needs. There is only one social services day nursery place in Gloucester for every 1,000 children under the age of five.

Mr. Eggar *rose*——

Ms. Harman: I shall give way when I have finished dealing with Bromley. Bromley has 188 nursery places. It is currently applying to the Secretary of State to close them all. It will join Gloucestershire at the bottom of the league. That is the background against which we must consider the new clause.

Mr. Eggar: No one denies that there is a need for people to look after the children of working mothers and fathers, but I have reservations about the fact that we are going out of our way to single out a group of people who are fortunate enough to have a nursery place at their place of work. I am also rather confused by the way in which the Opposition's amendment is drafted. The hon. Lady and I have children of about the same age. If we had a nursery in the House of Commons and wanted to bring our children in after the period of day care had ended, we should not benefit from such a concession because we have to be here in the evenings. Why have the Opposition drafted the clause so specifically?

Ms. Harman: The point to which I am addressing myself—the hon. Gentleman should recognise that it is of paramount importance — is whether the Government should use the tax system to hinder the existence and development of workplace nurseries. That is what the new clause aims to prevent.

We must increase parents' opportunity to choose decent nursery provision for their children under five. We must judge the aim to exempt employers' contributions from tax against that background. We should have a workplace nursery here to help all the women who work as secretaries, cleaners and canteen staff and keep this place going. There are plenty of rooms available.

Mr. Eggar: What about men?

Ms. Harman: I have already explained that unfortunately there is a deep division of labour within the home and that therefore the responsibility for rearing children almost entirely falls upon women. It would be good news if hon. Members would join me in a campaign to end male absenteeism in the home. I shall have to ask the hon. Gentleman's wife when I next see her whether he plays his full part. I bet that he does not.

The House should follow the GLC's example. It provides an excellent workplace nursery. The new clause would encourage those who are trying to increase a provision which meets the needs of children, which is good for them, and which meets the requirements of working parents. I hope that the House will support the new clause.

Sir William Clark: This is an interesting debate in which to take part. I hope that my hon. Friend the Member for Enfield, North (Mr. Eggar) was not serious when he suggested that we should have a nursery here.

Mr. Eggar: I did not make the suggestion.

Sir William Clark: Nevertheless, the suggestion was made. Many members of the public think that we already have a nursery — and a badly behaved one on some occasions.

I hope that my hon. Friend the Financial Secretary will resist the new clause. There are so-called perks — a company car or a payment to BUPA. Nearly every member of the Electrical, Electronic, Telecommunication and Plumbing Union has a BUPA subscription paid by his or her employer on which tax is paid. It is no good the hon. Member for Workington (Mr. Campbell-Savours) nodding his head. Of course they pay tax.

Mr. Campbell-Savours: I was not nodding; I was shaking my head.

Sir William Clark: The hon. Gentleman is wrong.

Mr. Stuart Randall (Kingston upon Hull, West): Will the hon. Gentleman tell the House what percentage of the EETPU membership has signed up for BUPA? That policy is not being pursued by the union, of which I have been a member since 1953.

Sir William Clark: I am sure that the House is grateful for that information. In many cases BUPA contributions are paid by employers. In one of the wage negotiations with the EETPU, part of the deal was that BUPA contributions should be paid on behalf of employees.

For many years it has been the policy of successive Governments to tax any perk, in whatever guise it comes. We should be considering the exemption limit. That has nothing to do with nurseries; it covers the whole range of perks. I accept what the hon. Member for Birmingham, Hodge Hill (Mr. Davis) said about the amount having to be added to the salary. There is nothing unusual in that. If it is decided that a perk is part of one's salary, its value must be added to the cash that one receives. That may bring one over the £8,500 limit. That limit is out of date. It has not been changed since 1979. In 1979, the average industrial wage was just over £100 a week. Today it is nearly £200. If it was right to set the limit at £8,500 in 1979, it should now be uprated.

Taxation is supposed to be fair for every taxpayer. It is wrong to single out nurseries. The crucial point is that if a nursery is subsidised, it is a perk. Many nurseries are not subsidised. My information is that there are 75 to 80 subsidised nurseries. I believe that my hon. Friend the Member for Beaconsfield (Mr. Smith) said that they covered about 2,000 children. That is a minority. Of course we want women with children to be able to work. If one singles out those people who are fortunate enough to work for someone who provides a nursery, what shall we do for the mother who does not have that facility?

Mr. Austin Mitchell (Great Grimsby): Increase child benefit.

Sir William Clark: The fact that the Labour party is expert at spending other people's money emerges in every debate. When it comes to spending its own money, it is a little more reasonable.

If we say that a workplace nursery is to be tax-free, what about the mother who does not have a nursery at work? What shall we do for her? What if the Inland Revenue were to say that there would be a child-minding allowance for those who keep their children near home when they are at work? What would that cost the Exchequer? I have tried to find out. It would increase public expenditure by over £2 billion if we were to make nursery places available for all children.

I understand that many of these nurseries are super and cost a great deal of money. In many cases the subsidy is about £2,000 or £2,500 per child. The subject of perks raises a different argument, but if we tax employees' perks, no perk should be excluded. I hope that my hon. Friend will resist the new clause. The fact that the cost is shared is immaterial. If an employer supplies to an employee something worth £80 and that employee pays £40 of the cost, he is enjoying a £40 perk.

Mr. Robert Sheldon (Ashton-under-Lyne): It is pleasing to hear the hon. Member for Croydon, South (Sir W. Clark) supporting benefits in kind. I wish that he had supported them in 1976 when the Labour Government introduced legislation and he voted against many of the provisions. Is there a difference between the benefits in kind which were taxed then and this particular benefit? People may be taxed on the cost of travelling to work on the basis that they can or should move their abode closer to their place of work, but it is almost impossible for a person with a child to avoid incurring certain expenditure in relation to child care.

5 pm

Sir William Clark: Every working mother suffers that disadvantage, because if she goes to work she must find someone to look after her child. She may find a minder locally or a relative may help out or, if she is very fortunate, she can take the child to the works nursery. I assure the right hon. Member for Ashton-under-Lyne (Mr. Sheldon) that I am not advocating perks. If perks are taxed, every perk should be taxed. There should be no exemptions.

One of the reasons why the perks industry has grown so alarmingly since the end of the war stems from the high rates of taxation that we have suffered under successive Governments. My right hon. Friend the Chancellor of the Exchequer intends to reduce taxation. If taxes were reduced to a reasonable rate—for instance, a starting rate of approximately 15p in the pound rising to no more than 40p to 45p in the pound—we could remove all perks, because people would have enough money to provide their own amenities. It is a retrograde step to single out nurseries, which are an emotive issue, and set one taxpayer against another—the working mother with a nursery against the working mother without a nursery. I hope that my right hon. and hon. Friends will resist that step.

Mr. Guy Barnett (Greenwich): This is an important debate and I am grateful to my hon. Friend the Member for Birmingham, Hodge Hill (Mr. Davis) for the way in which he opened it. I should like to criticise the use of the word "perk" by the hon. Member for Croydon, South (Sir W. Clark). It is wrong to regard the provision of work-place nurseries and its possible taxation as a benefit to those who take advantage of it as being on all fours with other forms of perk of which I am extremely critical. The argument for this tax relief—it is not a perk—is a social argument. Has the Treasury consulted the DHSS to ascertain that Department's view on the need to encourage workplace nurseries wherever possible?

My hon. Friend the Member for Peckham (Ms. Harman) said that at present this tax hinders the development of a socially desirable asset. From experience in my constituency I have felt very strongly about this for some time. With my hon. Friend th Member for Barking (Ms. Richardson) and my right hon. Friend the Member for Lewisham, Deptford (Mr. Silkin) I went to see the Under-Secretary of State for Employment. I was trying to persuade the Manpower Services Commission to provide a nursery at the local skillcentre in Deptford, but I had no success. Fortunately, however, we were able to get the assistance of the local councils in that endeavour.

I appreciate the importance of providing workplace nurseries because I have seen the conditions in which so many women live in my constituency and elsewhere. They are very often cooped up in high-rise flats, hardly able to get out and enjoying, if I may so describe it, lonely conditions which are hardly conducive to bringing up

[Mr. Guy Barnett]

young children. I want such women to be able to earn their own living and to provide for themselves. The hon. Member for Croydon, South said that the Labour party wanted to spend other people's money, but the Government are spending our money providing supplementary benefit and other benefits for women who are prevented from working by the lack of workplace nursery provision. I want such women to have the opportunity to train at skillcentres to make themselves more employable and perhaps to find employment, but their prospects are not bright if the potential employer does not provide a workplace nursery.

One of the arguments in favour of the new clause is the desperate shortage of day nurseries. In many parts of the country they do not exist at all or are in short supply. There is an excellent day nursery in my constituency, the Vanbrugh day nursery. It is an excellent institution but there is a waiting list and it cannot meet the need. I am not sure of the figures for my own constituency, but in many London boroughs more than 30 per cent. of families are single-parent families. If we do not make proper provision for the under-fives there will be a major social problem.

The day nursery in my constituency is inadequate, nursery schools do not meet the needs of parents because of the hours when those schools take children and many people feel disturbed at the possibility of children being with unqualified child minders. The question is whether we want to encourage the development of workplace nurseries and to continue to make proper provision for those already using them.

There is a strong argument for workplace nurseries, whatever outside provision there may be, because it is important for children under the age of five to see as much of their mothers as possible. The mother should be within reach so that people in charge of the nursery can get the mother to comfort her child if it is upset. It is easier for the mother to take her child to work than to take it to a nursery first and then go to work. Workplace nurseries would also assist in family development. The cost of not providing workplace nurseries is incredible when one considers the waste of the skills, training and qualifications of women who are prevented from working because they have young families when they might otherwise be working in a private company or a public institution such as a hospital.

Just before the debate I received a letter from a constituent. I shall conclude by reading from that letter because I think my constituent's case is probably typical of the cases of many hundreds of people in my constituency and throughout London. Referring to her little boy, she said:

"I could not face leaving him with a childminder who I cannot help believing is an alternative mother and it would sap my confidence as a mother. It was hard to leave him at the nursery when he was eight months old; now 14 months later I could not take him from his friends and leave him with one strange woman. I would therefore have to give up work as a principal local government officer in Urban Renewal in one of the most deprived boroughs in the country. I will not be able to adjust."

There is someone whose valuable services in a deprived inner London borough would be lost because she recognises, as I hope I do, too, the special value of workplace nurseries for the under-fives.

Therefore, I have no hesitation in giving my full support to the new clause.

Mr. Tim Smith: It is remarkable that the Opposition should have selected for a major debate on Report the taxation of the benefit in kind of the provision of workplace nurseries. A wide range of subjects could have been chosen. Unemployment is now over 3 million. At the time of the Budget, the Opposition criticised it for its lack of measures for dealing with the jobs problem, although there was a major extension of the youth training scheme and fundamental changes in national insurance contribution charges. Therefore, it is remarkable that on Report the Opposition should choose as a subject for major debate the provision of workplace nurseries.

Mr. Campbell-Savours: On a point of order, Mr. Deputy Speaker. This is an attack on the Chair and the selection of amendments. I should be grateful if you would bring the hon. Gentleman back in order.

Mr. Deputy Speaker: I have not heard the hon. Gentleman criticise the selection of amendments. I understood that he was discussing the priority that the House placed on the debate that is now taking place.

Mr. Smith: I am grateful to you, Mr. Deputy Speaker. You will have noticed from the Amendment Paper that the only new clause tabled by the Opposition relating to unemployment is new clause 7, which simply calls on the Chancellor to include in the Financial Statement and Budget Report——

Mr. Deputy Speaker: Order. It might help if we got back to the nurseries. We are discussing new clauses 1 and 4.

Mr. Smith: The point that I am trying to make is that at a time of major unemployment the Opposition have selected a new clause that affects the interests of just 2,000 taxpayers. The interests of 2,000 taxpayers are at stake. That is the best estimate. The number could be less because it relates to the provision of 2,000 places in workplace nurseries. Therefore, the number of taxpayers affected could be less.

Ms. Harman: The hon. Gentleman might be talking about 2,000 taxpayers at the moment, but what about the movement to try to expand workplace nurseries? Many hundreds of thousands of people might find themselves in that situation. Perhaps the hon. Gentleman will address himself to that very important principle.

Mr. Smith: I am doing that at the moment. I am discussing those whom the Opposition are seeking to help —those 2,000 taxpayers. Are they the people in greatest need? I believe that they are not. They are an elite minority. We have already heard that some of them are enjoying a benefit of £4,000 a year, which is twice what it costs to send a child to a public day school in London. It is a very substantial benefit.

If the new clause were accepted, a massive anomaly would arise. What would we then say to married women who are forced to go out to work and have to leave their child with a child minder or employ a nanny? They are the people who suffer hardship or are in real difficulty.

I believe that, as a matter of principle, all benefits in kind should be taxed, including the two that are currently excepted—the 15p luncheon voucher and miners' coal. No encouragement should be given by the system of taxation to employers to pay people in kind. Such benefits create distortions in the labour market and inhibit mobility. The tax base needs to be widened and tax rates reduced.

The new clause would favour a privileged elite. I am astonished that the Opposition should even suggest that the House consider it.

5.15 pm

Mr. Andrew F. Bennett (Denton and Reddish): I was surprised that the hon. Member for Beaconsfield (Mr. Smith) has not looked more carefully at the Standing Orders that govern our debates and does not appreciate some of the difficulties facing the Opposition in tabling amendments on the key issues in the Budget. If he had looked more carefully into those problems, he would appreciate that we do not have all that much choice of areas that we can debate.

I welcome the fact that my hon. Friend the Member for Birmingham, Hodge Hill (Mr. Davis) has tabled the new clause on workplace nurseries, because it gives the House the opportunity to address itself to one of the central issues —the provision of nurseries—which is of fundamental importance to our economy. My hon. Friend suggested that workplace nurseries were a growing phenomenon. I suspect that he is wrong. In the north of England, one of the tragedies is that the number of workplace nurseries that have closed exceeds the number that have been opened. In the Lancashire textile mill towns, and, I suspect, in the Yorkshire mill towns, we have seen the demise of many traditional workplace nurseries. That has been unfortunate for people in those communities. Not only jobs but the benefit of the nurseries have been lost in those areas.

The House should recognise the importance of the nursery not just to the parents but to the children. The children can benefit from a well-run and well-supervised nursery. The tragedy is that nursery provision in this country lags badly behind all the other EEC countries. We should look at every possible way of expanding and improving nursery provision, whether it be workplace nurseries, nursery schools or day nurseries. The sad fact is that here little more than 22 per cent. of children get the opportunity to experience proper nursery education. In France and West Germany, by the time children are three, and certainly by the time they are four, the figure is almost 100 per cent.

Let us look at what has happened in this country in recent years. For the children, the provision of nurseries has improved marginally, in that many of the local authority nursery schools have gone over to part-time provision. However, that has an adverse effect for parents. Although it may allow more children part-time places so that they can experience learning through play in nurseries and learn to work with other children, it makes it harder for parents to take a job and take children to part-time places in a nursery. We should consider how to improve the facilities for parents and give them support in caring for their children.

Studies such as the "Head Start" studies in the United States and recent work at Bristol university make it clear that the child benefits from nursery provision—not just at the time or in the next few years in school, but throughout his lifetime. From those studies it was clear that people of 19 and 20 still appeared to have advantages over contemporaries who had not experienced nursery education. If we have any real belief at all in equal opportunites, we should make it absolutely clear that we consider the provision of nurseries essential to ensure that everybody has the same career prospects.

I recognise that there is considerable muddle about charges for nursery provision. It is worth noticing that most workplace nurseries make a charge, and there is some subsidy, although I suspect that often the subsidy is not particularly accurately calculated. It has more to do with wage negotiations. If the Inland Revenue tried to be fair, it would run into many problems. The on-costs of a mursery are sometimes loaded and sometimes offloaded.

We also have to recognise that for many parents the choice is between the workplace nursery or a local authority day nursery. Throughout the country there are fantastic variations. Some local authorities impose substantial means-tested charges for day nurseries and others provide the places free. Therefore, there would be anomalies between those who had to pay for places at a workplace nursery and those who were fortunate enough to get free day nursery places.

When children go to a state school, they receive free nursery education at the age of three. It is illogical for the Government to say that if one has a child of three, one can send him to a nursery school and there is no charge. It is considered to be not a perk, but a basic requirement. However, if one saves the state from having to make that provision and takes one's child to a workplace nursery, that is considered a tax perk. That is an odd anomaly. There is no merit in the Government's proposal for taxation. If there was any merit, it would be logical only for those from nought to three years old. But from the age of three onwards, for the fortunate children who live in the bigger, Labour-controlled cities, where nursery provision is available for about 60 to 70 per cent. of children, rather than in some of the Tory shires — such as Gloucestershire — where there is almost no nursery provision, there would certainly be some anomalies.

We must also recognise the considerable advantage——

Mr. Tim Smith: Does the hon. Gentleman advocate tax relief on the payment of fees to private nursery schools where there is no state provision?

Mr. Bennett: I thought that we were talking about private nursery schools provided by employers. In most cases, they are private institutions, although I realise that some are provided by the National Health Service and other such organisations.

We must recognise the benefit of workplace nurseries to children. Nothing is more demoralising for a child than to be trailed to a local authority nursery, which is often in the opposite direction from its mother's workplace, and involves the mother or the father having to leave home earlier to take the child to nursery and perhaps having problems picking him up at night. There are considerable advantages in the workplace nursery, to which the child can be taken with the minimum difficulty and which provides the parent with the opportunity to see the child during the day. Instead of removing what they call a concession, the Government should reaffirm their faith in nursery education and consider improving its provision. They should certainly not consider taxing it.

I should like to put some questions to the Minister about how the change will work in practice. What happens if a husband and wife, who have one child, are both at work and the wife decides to take the child to a nursery at her workplace? Will the amount of tax be decided according to her income and the cost of the nursery place, or will it

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be based on the combined incomes of both parents? The fact that, at present, it is more likely that the nursery will be provided at the wife's workplace will affect both parents' opportunity to earn money.

What will be the position of the people at the margin? Now that the limit is set at nearly £8,000, many more people will be at the margin. In the north of England, many people are employed in piecework, especially in the machining and textile industries. With piecework, there is always the incentive to try to earn a little more, but if earning more money means that one will be pushed over the threshold, it may be an expensive extra piece of work. Will the limit be decided on weekly earnings or on annual earnings?

I support the new clause. I suggest that the House should make it clear that it believes that all people should have equal rights to job opportunities. Careers should not have to suffer because of the problems of finding proper child care facilities.

The final point to remember is that nursery education is extremely beneficial to children. The Government should be offering incentives, not disincentives, for its provision.

Mr. John Watts (Slough): My hon. Friend the Member for Banbury (Mr. Baldry) reminded the House that Britain has the second highest proportion of working women in Europe and a high proportion of working wives and mothers. One reason for that is the substantial tax advantages enjoyed by married couples when the wife works. Such a couple enjoy the higher married person's personal allowance and the wife's earned income allowance, which is the same as having an additional single person's allowance. The advantage is substantial when it is compared with the income of a family organised on more traditional lines, where the husband and father works to earn the money and the wife and mother works in the home and looks after the children. They have only the personal married allowance. I look forward with great interest to the Green Paper on reform of personal taxation foreshadowed in the Budget, and to the proposal, which I hope it will contain, to introduce greater equity into the taxation of the incomes of married couples.

In the context of such taxation there is no justification for enshrining a substantial additional tax advantage for working mothers, albeit the new clause relates only to a small and privileged minority. As my hon. Friend the Member for Croydon, South (Sir W. Clark) reminded us, the new clause will affect about 2,000 children and their parents. The hon. Member for Greenwich (Mr. Barnett) spoke of how important it is for young children to have their mothers close at hand and advocated the workplace nursery. I take what is possibly the unfashionable view, but not necessarily an unpopular one. I believe that it is preferable for pre-school age children to have their mothers close at hand, for the mothers of those children not to work and not to park them at workplace or local authority nurseries, but to care for them in the home.

Ms. Jo Richardson (Barking): What does the hon. Member intend to do with the 1 million one-parent families?

Mr. Watts: This is my personal view. I accept that it is a matter of personal choice how each family organises its life. If a mother wishes to work, I would not wish to place any legislative barrier in her way. However, I do not believe that there should be any encouragement by granting an additional tax benefit, such as that contained in the new clause, to mothers of young children to work and not to care for their children in the home.

Mr. Randall: I had not intended to take part in the debate, but after hearing some of the comments from Conservative Members, I cannot refrain. My hon. Friend the Member for Birmingham, Hodge Hill (Mr. Davis) made a caring and compassionate introductory speech. Subsequent speeches seemed to be divided into two rough areas. My hon. Friend the Member for Greenwich (Mr. Barnett) said that the argument was a social one, but the Government have presented the argument in financial terms. No wonder the Conservative party is seen as hard and uncaring, with a philosophy based on greed and self-interest. I hope that the debate will be reported fully so that the public will realise that the Government are hard and uncaring and consider matters in purely money terms. That is very sad.

Hon. Members have discussed various schemes in Britain, but we are obviously doing much worse than other European countries. France, Denmark and Holland make educational provision for between 20 and 30 per cent. of their two-year-olds; we make no provision. Belgium, France and the Netherlands make educational provision for more than 95 per cent. of their four-year-olds. The comparable figures for West Germany and the United Kingdom are 75 per cent. and 56 per cent. respectively. Under this Government, the kids are being deprived.

The hon. Member for Beaconsfield (Mr. Smith) should have done his homework before coming to the Chamber. I know that sometimes we all make impetuous speeches when we are perhaps fired with enthusiasm.

Mr. Sedgemore: The impetuous speeches are all from the Government side.

5.30 pm

Mr. Randall: There are others as well.

The hon. Member for Beaconsfield should have made his arguments a little clearer. He said that the matter was not worth considering because it dealt with a mere 2,000 children. As a Socialist, I cannot think in those terms. If 2,000 young children can benefit and only a small amount of money is involved, why can we not just go ahead? Two and a half weeks ago in Committee the Government gave £50 million per annum to the land and property speculators through the abolition of the land development grant; yet they cannot afford to give money to the nurses and the less well-off. The bored children who should have proper care at workplace nurseries when their parents are working are deprived.

The hon. Member for Slough (Mr. Watts) sounded as though he was going back into the last century. He felt that there was no justification in taxation terms for going ahead with the scheme, so he would vote against the new clause. The hon. Gentleman thinks in terms of the taxation system and money. That is the Conservative party's graven image. I appeal to hon. Members to support the measure.

The hon. Member for Croydon, South (Sir W. Clark) complained that the Labour party was good at spending other people's money. That is a myth that the Conservative party used in the 1983 general election and that it tries to

perpetuate while it continues with this immense drift of wealth from the less well-off to the rich. Although there is only a small number of workplace nurseries, it is part of the Conservative party's ethos not to help the people on low incomes but to transfer the money to the rich. The Conservative party has shown that it is not a thrifty party by the way in which it spends the revenue from North sea oil on unemployment. This is the essence of the new clause — opportunities should be provided for mothers and fathers, especially in single-parent families, to contribute to the economy. That is a laudable aim. The argument advanced by the hon. Member for Croydon, South does not stand up.

We are considering whether to provide nurseries in workplaces for which the employers and employees will pay. We are asking for tax relief on the contributions. The new clause is attractive in that it provides a genuine opportunity for women to do what they want to do. We talk about equal opportunities and freedom of the individual — this is what it is all about. It is not about the opportunity for one person to rip off someone else. That is the interpretation offered by the Government. Freedom of the individual involves economic freedom to do the job that one would like to do.

People with considerable skills live in Britain—for example, doctors and nurses. Partly because of cuts, some hospitals are short of nurses with particular skills. It takes a long time and considerable expense to train a nurse. In terms of economic arguments, it would seem wise to use those skills rather than have them constricted within the family framework because there are no opportunities to provide care for children while parents are at work.

Women will be the main beneficiaries of this scheme, although it applies also to some single-parent families. There has been a growth in jobs in certain sectors that predominantly employ women. That scope for job creation could be enhanced by providing the appropriate tax relief for these nurseries. Jobs are being created not only in the supermarkets and service industries but in the electronics industry. Too few women are employed in the high-tech industries. There is a dearth of women taking engineering degrees. To have a good high-tech industry it is important to provide opportunities for women.

The hon. Member for Slough said that we should keep the women in the home and that he did not care about all the problems about which the Labour party waffles on. He represents an area where, last year, house prices increased by 17 per cent. and where women are contributing to mortgage repayments. The hon. Gentleman says, "You cannot do that. You stay at home." This means that people have to live on faggots and peas and in a deprived way.

Mr. Watts: I am sure that when the hon. Gentleman checks the *Official Report* tomorrow, he will see that I said nothing about keeping women in the home. I said that it had to be a matter of personal choice. It is not a choice that should be influenced by an additional substantial tax benefit to working mothers.

Mr. Randall: Perhaps we should go to women who make big contributions to the household mortgage repayments by working but instinctively want to stay at how with their children because there are no workplace nurseries. I am sure that a substantial number of people in Slough feel that way. They are deprived.

Conservative Members have referred to car parks, social clubs and sports facilities. That is a fair point to raise if one wants to invoke the financial or economic arguments. However, I am not inclined to do that. I shall vote for the measure for purely social reasons, because that is the civilised thing to do. Why are the benefits of car parks, social clubs and sports facilities not taxed? The Government are hindering the development of workplace nurseries through their taxatarion system. Why are workplace nurseries treated differently from car parks, social clubs and sports facilities?

The present tax arrangements will have two consequences. First, they might lead to nurseries closing through lack of demand or because the employer decides that their penal nature makes the arrangement unattractive. Alternatively, the nurseries will be used only by the children of those on higher incomes. The Opposition believe in a more equitable and fairer society. Why do we not have an arrangement whereby those on lower incomes will or could benefit? In clause after clause there is a shift of wealth from the poor or the less well off to the very rich. The workplace nursery scheme, which has great potential, is being throttled before it has had time to blossom. I hope that hon. Members on both sides of the House will support the clause.

Mr. Lewis Stevens (Nuneaton): The new clause asks for total exemption of nursery taxes. I do not want to go that far. My hon. Friend the Member for Wealden (Sir G. Johnson Smith) and I tabled a new clause which went, in a slightly different way, to equate the taxation of nursery provision more to the taxation of company cars. Unfortunately, that was not selected. I shall try closely to confine myself to new clause 1.

It was only 18 months ago that the Treasury decided to tax workplace nurseries. The effect of that was a sudden blow to many who might have been paying £20 or £30 a week in contribution towards a workplace nursery. They found themselves having to pay £15 a week more at the top of the scale. That is a large amount of money to find. The qualifying earnings figure is £8,500 and the difference in take-home pay can determine whether it is worth carrying on with that job or not. We are seeing the return of punitive taxation. It has existed theoretically since 1948 but it is only now that the Treasury has decided to introduce it in practice.

Mr. Michael Shersby (Uxbridge): Does my hon. Friend agree that the £8,500 limit is part of the problem? I believe that that limit was introduced by the Labour party when it was in power. I hope that the Government will pay urgent attention to dealing with the problem.

Mr. Stevens: I agree with my hon. Friend that the £8,500 is part of the problem. The Government's approach —it is one that I do not disagree with—is to try to cut out perks in general by making them subject to tax or providing that they be paid directly in cash. The effect of keeping the £8,500 limit since 1978 or 1979 is to bring more people into a tax bracket, but surely workplace nurseries are subject to different considerations. Why has the Treasury decided to tax now? Is there a suspicion that workplace nursery provision will expand and will be used by more than the present 2,000? I believe that the provision will expand unless taxation is introduced which prevents that.

There are problems with skills because we can have too many of one type and too few of another. The new technologies will be taught to comparatively few in the

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first place, but often to youngish people, both male and female. Companies that want to keep those people at work for the maximum time will look more and more towards provisions such as workplace nurseries to enable them to derive the maximum advantage from their skills. Companies will learn to provide nurseries on a wider basis to get the best return on the investment that they have made. It must be helpful overall for the country to ensure that the facility exists.

A top-end assessment of £4,000 in London has been suggested and that could apply. I suggest that that is an assessment of cost and not of worth. Cost and worth are different things. A person may be paying a contribution of about £30 a week but how much is that benefit really worth? It might cost about £80 a week to achieve the standards in workplace nurseries that are required by the Department of Health and Social Security but it could be worth less than that. The worth of the facility is no different when it has to be produced to a higher standard than in many factories. If people work in a better looking office than another one, how much is it worth to work there? It is an attraction, but it does not lead to a decision to move to it. The assessment that some would make of the value of the facility and the amount to be charged could be unfair. That is why my hon. Friend the Member for Wealden and I were seeking to impose a ceiling of £1,300.

5.45 pm

There is a definite advantage in having the facility of a workplace nursery but I believe that it should be a limited facility in terms of the assessment that should apply. That is what I would have preferred for this debate but unfortunately our amendment was not selected. The principle of being able to tax indefinitely on the provision of a workplace nursery will be detrimental to those who are using it now, to future users, to the development of that facility, to the retention of skills where they are wanted and perhaps to training if there will be doubts about how much it is worth to train to a higher level. Those are the disadvantages of this type of taxation. I hope that my hon. Friend the Minister will consider putting a ceiling on the taxation of workplace nurseries if he refuses the non-exemption. I have reservations about total exemption.

I want to draw the attention of the Minister to transitional arrangements. If the Bill is passed as it stands, those who took jobs with a company with a workplace nursery will be faced, over the next year and in the future, with a high taxation level. That taxation level will be one for which they did not bargain.

In many instances, when new forms of taxation are introduced, a transitional period is allowed. It will not be unfair to consider allowing a transitional period at least for those who have children in workplace nurseries now. I should be obliged if the Minister would make a statement on any thoughts he may have on a transitional period for those people.

I urge my hon. Friend to consider carefully the damaging effect that this type of taxation would have. No one likes, more than I do the idea of a stable background of a married couple with a family where the woman spends a fair amount of time at home looking after that family, as was suggested by my hon. Friend the Member for Slough (Mr. Watts). Both society and this House, in its legislation, have sought to introduce extensions and a choice. We have chosen to do that and we have a duty to take account of that and respect the problems and the developments of workplace nurseries and the needs of our industries in that area.

Ms. Richardson: I agree with many of the arguments advanced by the hon. Member for Nuneaton (Mr. Stevens). It seems that he does not wish to go as far as the Opposition's new clause, but is prepared to go a little further than his right hon. and hon. Friends. I agreed with him until he uttered his final remarks. He referred to the need for the mother to remain at home, wherever possible, during the early formative years of the child, but he emphasised that there should be a choice. The difference between us is that the Opposition believe that if it is a two-parent family, fathers should share in the care of their children. We would encourage both parents to have a caring and sharing role, wherever possible. Both the father and the mother should have the opportunity to work and to look after their children.

This is the second time that this debate has been held. My hon. Friend the Member for Birmingham, Hodge Hill (Mr. Davis) and perhaps other hon. Members will recall that a similar debate last took place in July 1984. It lasted from about 2 or 3 am until about 8 am. I am pleased that today it is taking place at a more reasonable time. Despite the almost empty Press Gallery, I hope that attention will be drawn to this matter in tomorrow's press. It is vital to many women, not only to those who use workplace nurseries but also to those who feel that they may want to use them and who may wish to encourage their employers to consider providing them.

In last year's debate, 99 per cent. of the speeches—all of which supported the principle—were made by Opposition Members. Only one Back-Bench Conservative Member spoke in that debate. Today we have heard the views of a few more Conservative Members. I do not like most of their views, but I am pleased that the view of at least two and perhaps three Conservative Members is the same as that of the Opposition on this important subject. Our debate in 1984 did not shift the Government. During the last 12 months, the anxieties of parents with children in workplace nurseries have not diminished.

I spoke only two weeks ago to a parent who visited me here. She has a child in a workplace nursery and she feels that a sword is hanging over her that might drop at any moment. If the Government do not consider sympathetically the Opposition's case for not taxing workplace nurseries, she believes that her life could fall apart. She is a nurse and she worked very hard to obtain her qualifications. She is a one-parent family. Her child is in a workplace nursery but it is an effort to meet the cost of the nursery care out of her pay.

If she had to pay extra tax on top of the charges already made, she would have to give up her job. She does not want to do so for a number of reasons. First, she believes that the National Health Service provides a service that should be supported and that she has a contribution to make to it. Secondly, she believes that she has a right to work. Thirdly—this, she told me, is the most important point of all—during the period that her little girl has been in the nursery she has benefited greatly. She knows that her mother is working nearby. As an only child, she is benefiting from being with other children and from

growing up in those surroundings. She said that it would be a great pity—indeed, worse than that—if she was unable to afford to keep her child in the nursery.

The Government are cutting off their nose to spite their face by refusing to remove this tax and by refusing to recognise that its existence is a disincentive if people with children wish to go to work. The Government may indeed lose a small amount of revenue, but if parents have to give up working, the Government will lose even more in tax. Tax is paid by parents who are in work. They also make national insurance contributions. They are also valuable members of the work-force.

The hon. Member for Banbury (Mr. Baldry) spoke to new clause 4. I commend to hon. Members who are so bitterly opposed to it a very interesting piece of research into the child care needs of NHS shift workers who use the Blackshaw nursery centre. It may provide them with an eye-opener in terms of good practice in the provision of child care nurseries. This centre was the first of its kind and was opened in January 1982. It is funded by the Department of the Environment and the London borough of Wandsworth through an urban aid grant. This purpose-built nursery is situated in the grounds of St. George's hospital, Wandsworth. It has a professional staff and it is managed by a voluntary management committee, consisting of members of the community health centre, the local workplace support group and other support groups. It is very well run. It was provided because of the child care demands of the people who work in and around the hospital. My hon. Friend the Member for Hodge Hill might care to note that the nursery is open from 7 am until 10 pm, a period that covers almost the whole of the hospital's work shifts.

Let us not run away with the idea that those who use these nurseries do not pay. They certainly do. Some Conservative Members think that this is a buckshee provision — that charity is being provided for these women. It is not a charity or a perk. I object to the word "perk". It should be regarded as the beginning of extended and better child care provision for children throughout the country in order to allow women to exercise their right to work, train and retrain. If we are to make it possible for women to work, we must not decide the fate of women and children on the narrow basis of how much money the Treasury might or might not lose. We should examine the problems of working parents, in particular working mothers.

I was privileged this morning to attend an exhibition that is being held in East Ham town hall by the engineer's and surveyor's department of the London borough of Newham. It has mounted an exhibition of the work it is doing to encourage women to train as scientists and engineers. I remind the Government that this is the International Year of Youth. As it has encouraged women to enter the engineer's and surveyor's department, it decided to mount an exhibition, and this morning it invited a large number of schoolgirls to visit the exhibition. It is considering having creche facilities, which is the right way to approach the matter. If we are to encourage employers to operate genuine equal opportunities, we must face up to the needs of working parents.

6 pm

Many groups have supported the workplace nursery campaign. But in addition to the women's groups, mixed groups, community health councils, community groups of all types, parents and other individuals, the campaign has had some unlikely allies, and I say that meaning no disrespect, for example, to the Institute of Personnel Management. Not only are employees protesting about the present situation, but in some instances managements are complaining about the approach of the Government. They, as employers, want to adopt good practices, but they are not being allowed to do so. The Institute of Personnel Management, in a paper dated 1 May referring to remarks made to a Select Committee, said:

> "In the industrial revolution, it was employers who sent little boys up chimneys and it was governments who brought in legislation to stop them. Now, employers are seeking to provide welfare facilities and arrangements which enable people to work and to use their talent in the cause of increasing Britain's productivity and economic performance, and it is government that is trying to stop them."

In other words, the view of the Institute of Personnel Management — not simply of a community health council or a group of women—is that the Government are wrong in their present policy. The Institute paper continued:

> "The taxation of creches is socially, morally and economically wrong. They are not benefits in the hands of the recipients. They are welfare and employment facilities which remove impediments to the employment prospects of certain groups in the community."

The most outrageous feminist could not have put it better. That is precisely what we want, in the public and private sector, but the Government are preventing that from happening. The institute ended by appealing

> "to the Government in the interests of the use of talent, the mobility of labour and good employment practice . . . now to introduce an amendment to the Finance Bill."

That body—if not Conservative, then normally cautious in matters of this type—is strongly in favour of the case we have made.

I shall not understand the Minister if, when he replies, he says that the private and public sectors do not want this type of nursery provision. It is clear that they do. If the Government are serious about providing employment possibilities with choice for everyone in the community, they will accept our amendment.

Mr. Neil Hamilton: The hon. Member for Barking (Ms. Richardson) reminded hon. Members that when I last entertained the House to my views on this matter it was about 5 o'clock in the morning. On that occasion she spoke a little before that. It is more comfortable to be addressing the topic in the afternoon.

In the intervening year, hon. Members will have been the recipients of a considerable quantity of misleading, biased and incorrect information from various campaigns——

Mr. Austin Mitchell: Such as the Treasury brief?

Mr. Hamilton: I never speak to a Treasury brief, as the hon. Gentleman should be aware.

Hon. Members have been the recipients of much misleading information, much of which has been reiterated by Opposition Members today, as it was when we debated the matter a year ago. It cannot be disguised that the potential beneficiaries of the change in the law that is being proposed by Opposition Members would be a small number of fortunate individuals. The number is estimated at present by the Inland Revenue at 2,000 people in respect of about 70 nurseries throughout the country. It is clear that the lowest paid employees, even under the

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present state of the law, are not subject to tax on a benefit provided by an employer where it constitutes a nursery facility of the type that we are now debating.

I found it grotesque that the hon. Member for Peckham (Ms. Harman)—who, alas, is no longer in her place—should say how important creche facilities would be, for example, for Members of Parliament. When one considers the income of hon. Members, it seems grotesque that many low-paid people should be called on to pay through their taxes for benefits for those who earn considerably more.

When we consider that one starts paying income tax in Britain at about one third of the average wage—a level which is far too low, in spite of what the Government have done to raise it over the years—it seems wrong, even on Socialist principles, to require people in those circumstances to pay for benefits which many can afford to pay for themselves.

There is also a point of principle involved here. It is an extremely inefficient way of targeting benefits on people who are on below average incomes to do it through the general tax system in the way that the new clause proposes. Similarly, it is a shame that we did not do something to cut down on child benefit in the recent social security reviews, because at least three quarters of what is paid out in child benefit goes to those who are in no serious need. Therefore, it would have been better had we used that money, for example, to raise income tax thresholds or to reduce rates so as to take out of the charge to tax many of those on low incomes to whom I have referred.

What is proposed in the new clause — and in the special pleading for the various, no doubt worthy, causes which are brought to our attention from time to time when tax concessions are sought — is a return to the truck system, so that the employer, instead of giving the employee the freedom, by being paid in cash, to choose what to buy with that cash, ties him to certain forms of expenditure that the employer, not the employee, decides is good for him. In the middle ages, the majority of the people of Britain were adscriptus glebae—bound to the land—and that would be the result of the new clause if it were extended into a more generalised principle.

We must debate this issue as a question of principle, because if the tax system is not based on some principles, it degenerates into a welter of special pleading and benefits. That has undermined our whole social security and tax system, and I am pleased that at last we have a Government who are determined to start tackling the accumulation of special advantages that are given to individuals on no special principle.

The hon. Member for Birmingham, Hodge Hill (Mr. Davis) said that there had been a change in the practice of the Revenue in relation to the taxation of employer-provided workplace nurseries. He seemed to imply that in the past such benefits in kind had been exempt from tax. That has not been the case. It is a course over which we cantered last year in considerable detail, when the Financial Secretary explained the position, and nobody has come forward to refute what he then said.

There are two types of benefit in kind for tax purposes, which are treated in different ways. First of all, there are those that can be converted into money. Benefits in kind that can be converted into money have always been taxed on the amount of the benefit in money terms. Secondly, there are those that are not convertible into money, and workplace nurseries would come into that category, along with, for example, board and lodging provided by an employer, or travel, meals, uniforms, education, and so on and so forth. These are personal benefits in some sense and cannnot be exchanged for money.

Those non-convertible benefits in kind, on the general principles of income tax, have never been chargeable to tax but since 1948 a special regime has applied to company directors and those classed as higher paid employees. So, those who are not company directors or higher paid employees are still not within the charge to tax in respect of the employer-provided workplace nursery. It is interesting to point out that a Labour Government brought about the change to correct what I think was an imbalance whereby one form of remuneration was taxed on a different basis from cash. That is a fundamentally illogical principle and one which strikes at the whole basis of fairness in the tax system.

Mr. Sedgemore: It appears to be one of the hon. Gentleman's major points that this is not a new tax. I served on the Committee last year and took part in the debate when the Minister appeared to say the same thing. I gave evidence to the Committee that there were 98 workplace nurseries in Britain where tax was not being paid or collected. How does he square that with this not being a new tax?

Mr. Hamilton: If the benefit in kind is not drawn to the attention of the Revenue it can hardly be expected to tax it. I have no window into the mind of individual taxpayers and how they fill in their tax returns but in so far as it was generally assumed not to be a taxable emolument, taxpayers did not fill in returns. *[Interruption.]* If hon. Members will listen to what I am saying, I am quite prepared for them to intervene later in my speech if they disagree with me. In so far as the Revenue was unaware that this benefit in kind was being provided to particular individuals, it could not be taxed. In many other cases the value of the benefit received might have been too small to make it worth assessing. I do not know. Certainly a de minimis rule is very sensibly applied in other areas of the tax system as well.

Mr. Mark Fisher (Stoke-on-Trent, Central): Could the hon. Gentleman give the House an example of where the tax was being collected?

Mr. Hamilton: No, I cannot.

Mr. Fisher: The hon. Gentleman cannot because such an example never existed.

Mr. Hamilton: Just because I cannot name an example does not mean that it did not exist. I am prepared to give the hon. Gentleman the benefit of the doubt and to say that in the past people have not been taxed on a benefit which was taxable. That can be for one of two reasons: first of all, that the Revenue did not know and, secondly, that it was not worth collecting. Either one or other of those reasons is the cause. One of the reasons why more people are now in receipt of a taxable benefit in relation to these nurseries is that as incomes have risen and the £8,500 definition of what is a higher paid employee has remained the same, so more people have come into the tax net. Probably the other reason why nobody has been assessed in the past is that a higher proportion of those in receipt

of the benefit were not actually within the charge to tax because they were not higher paid employees for tax purposes.

6.15 pm

There is no justification for the hon. Member for Hodge Hill (Mr. Davis) to say that the tax position in law has changed or that the practice of the Revenue has changed. All the facts point to the situation being just the same today as it was in any other year since 1948. A great many red herrings have been put forward and hon. Members who support either of the new clauses have sought to draw some comparison with various other benefits, if they can be called benefits, which are provided for employees. We dealt with car parking spaces last year in some detail and once again the tax position is perfectly clear and is on the record. This would also apply to sports facilities and the other examples which have been given this afternoon. For company directors and those who are higher paid employees, such benefits are taxable even though they may not be taxed for the reasons I have just described in relation to workplace nurseries.

Lest he has forgotten, I should explain to the hon. Member for Hodge Hill, as I did last year, that such benefits are not in practice taxed in certain instances because the value of the benefit for tax purposes is so small as not to make it worthwhile collecting. In the case of a car parking space or any benefit where the value is calculated because it is land for tax purposes, section 531 (1) of the Income and Corporation Taxes Act 1970 provides:

"the annual value of land shall be taken to be the rent which might reasonably be expected to be obtained on a letting from year to year if the tenant undertook to pay all usual tenant's rates and taxes, and if the landlord undertook to bear the costs of the repairs and insurance, and other expenses, if any, necessary for maintaining the subject of the valuation in a state to command that rent."

In the case of a car parking space it is quite obvious that the gross annual value for tax purposes of a piece of land 6 ft by 12 ft will be tiny and not worth the Revenue's trouble to collect.

Mr. Terry Davis: Are all car parks provided on open land? That is not the case in the City of London. He must have seen a report circulated by the London Amenity Transport Association about the effect of company cars. He must know it has been calculated that the cost of car parks in London can be as much as £500 a year per car.

Mr. Hamilton: In that case it is assessable. If the hon. Gentleman knows of any particular instances where tax is not being charged perhaps he would like to draw them to the attention of the Inland Revenue, which will no doubt be glad to receive the information. The law remains as I have explained it, and that is what we are talking about. The hon. Gentleman said the law has changed. I think I have explained that the law has not changed; neither has the practice. The example of the car parking space is no different, in the way that the Inland Revenue treats it, from the employer-provided workplace nursery.

Mr. Austin Mitchell: How would the hon. Member calculate the value of his own car parking space in the House garage? Can he say what return he makes to the Inland Revenue on that?

Mr. Hamilton: I am not responsible for that calculation. The Fees Office would, I am sure, be able to provide that interesting information. The point remains the same, that if it is taxable it is on the basis that I have described under section 531(1) of the Income and Corporation Taxes Act. As a matter of course the Revenue does not seek to assess individuals where the amount of money involved is very small. In an extraordinarily misleading round robin which was distributed by the workplace nurseries campaign in the last few days, a comparison is sought to be drawn with various other kinds of so-called benefits, which it believes are treated differently from workplace nurseries. It mentions, for example, pensions, which it says are exempt from income tax. I am sure that is a surprise to most pensioners who pay income tax on their pensions. It is a kind of deferred tax in as much as one does not pay tax at the time contributions are paid but ultimately tax is paid in the normal way on receipt of a pension.

Share options are also mentioned. The campaign round robin says, correctly, that they were exempted from income tax last year. What is not said is that share options are subject to capital gains tax, as and when they are exercised, on any capital gain made. That is perfectly proper. Shares are capital not income, so they are subject to the capital gains tax regime and not to the income tax regime. If shares are provided at an undervalue, the individual taxpayer is taxed on a benefit equivalent to an interest-free loan of the same amount as the market value of the shares. That is another example that falls flat on its face.

Much has been made of the system of taxation of company cars. The value of the benefit of a company car is assessed by the Inland Revenue on a scale, and the main reason why it is assessed on a scale basis rather than on an individual basis is the difficulty of apportioning the business and private uses of a vehicle. Obviously, where there is an arbitrary system, such as a scale in this instance, there will not be equality of treatment, but the administrative complications of trying to assess each individual on the basis of the exact proportion of private and business use of the car would be formidable. This is a means of reducing the administrative costs while maintaining equality of treatment.

To try to equate employer-provided workplace nurseries, where the benefit is obvious and easily measurable, with the benefits that derive from the provision of a motor car that can be used partly for business purposes and partly for private purposes is unsustainable. If we were to change the system of treatment of benefits in kind on that basis, we should be able to apply the same system to the whole of the benefits in kind that are provided by the employers. That would be grossly unjust to those who do not receive their remuneration by means of payment in kind but receive it through payment in cash.

In general, there are no exceptions to the rule that a benefit in kind is taxed on the same basis as a cash payment of equivalent amount. There are two exceptions. One is luncheon vouchers, but the exception is less valuable than it used to be because of the 15p a day limit on the value of the benefit, so that it is withering away. The other great benefit is concessionary coal provided the coal miners. I do not wish to intrude too much into the private griefs of the Labour party and dilate on that at any great length, but that concession is insupportable.

Mr. Douglas Hogg (Grantham): I follow my hon. Friend's argument, which has a great deal of force. However, is there not another point that my hon. Friend should perhaps consider? Where one is dealing with a benefit in kind that forms part of remuneration, one is dealing essentially with remuneration, such as free coal, which can be brought within the Taxes Act. However, the provision of nurseries is not so much a benefit in kind as something that has to be provided to enable the employee to do the work. If one wanted to make a distinction, that distinction could be made.

Mr. Hamilton: That is what it is not. It is not a payment that is made to enable any person to do the job but one to enable a particular individual to do the job, and if everybody were entitled to have his tax based on the cost to him, because of his personal situation, of doing a particular job, there would be enormous opportunities for avoidance and the tax base would be substantially reduced. I am about to point out some of the difficulties that would arise if the analysis made by my hon. Friend the Member for Grantham (Mr. Hogg) were to be accepted.

My hon. Friend the Member for Banbury (Mr. Baldry) seemed to say that if an individual were to participate in the labour market, the costs of that participation should be borne by the rest of the country by means of a tax concession. I put to him, although he did not answer my point exactly, the case of somebody who lives in an isolated part of the country, say Brecon, where there is no public transport. Are the costs of his getting to work then to fall on the general taxpayer? I can see no distinction in principle between an employer giving him a grant for a car, for example, and an employer either giving a parent a grant to send a child to a nursery or providing nursery facilities.

Similarly, I am puzzled, as my hon. Friend the Member for Beaconsfield (Mr. Smith) was, by the limitations that the Opposition have placed upon themselves through the new clause. Why cannot one obtain a tax relief for child minders or nannies? I know that Mr. Peregrine Worsthorne thinks that the unemployment problem would be resolved if all domestic servants could be employed by means of tax relief. I am surprised to find that Labour Members are in the same camp as that distinguished journalist. That seems ultimately to be the road down which they are going.

What about those who are self-employed, for example, who might be in the same position as the one-parent families about whom the hon. Member for Barking talked? There is nobody to provide a nursery for them because by definition they are not employed. Why should they not get the relief? What about individuals with large families who find it difficult to undertake employment because they have children to care for all round the clock? Will they be able to claim for the cost of domestic servants against their tax bill? What about night shift workers? Will they obtain tax relief for an employee to look after children at night, and so on? What about childless families and those with children over five? Why should they be made to pay for what is, after all, a voluntary act — having a child? Neutrality of tax treatment and remuneration is a valuable and vital principle in our tax system and it would be a great pity if we were to allow this exception to undermine it.

The payments that one has to make to earn one's income are deductible for tax purposes, but here we are talking about a different point. The payments that are made, for example, to pay for a child to go to a nursery are not paid to undertake the job itself. The nexus is the personal position of the taxpayer and not the requirements of the job. If the basis of our tax system is altered to accommodate the change proposed by the Labour party, that would go a long way towards undermining what fairness there is in it.

6.30 pm

Mr. Peter Pike (Burnley): The hon. Member for Tatton (Mr. Hamilton) said that Labour Members had raised a few red herrings. If anybody has drawn a red herring across the debate, it is the hon. Gentleman.

We are debating an important new clause that gives protection to existing workplace nurseries and would support the provision of future workplace nurseries. It is an important new clause that is worthy of support.

To call these nurseries a perk is not a correct description of them. They provide something that is essential to the parent, whether it is the mother or the father, to the employer and, ultimately, to the nation. My hon. Friend the Member for Barking (Ms. Richardson) made the important point that, while some revenue would be lost to the nation if the new clause were carried, if the parent had to give up work as a result of the loss of nursery provision, the nation would lose taxation and national insurance contributions as a result. This is not just a one-sided story.

The hon. Member for Tatton did not like the reference to car parks, but they are relevant. One cannot just dismiss the provision of car parking spaces for employees as being of no consequence. My hon. Friend the Member for Birmingham, Hodge Hill (Mr. Davis) forcefully made the point that parking spaces, particularly in the London area but also in many major cities, are a costly item, although a worthwhile provision for the employee. But we are not talking only about parking places. When I worked in industry we had subsidised public transport to get people to factories. In my case it was because the factory was in a difficult place to get to. Subsidised transport is fairly common and one could argue that the portion paid by the employer should be taxed. I am certainly not advocating that, but it is another example of something provided by an employer, as are workplace nurseries, for the benefit not just of the employee but of the employer.

There are other benefits for workers, such as staff sales, and one would find it difficult to determine whether they were perks and on what basis one would tax them if they were to come into the category to which the Government felt they should extend taxation. As many of my hon. Friends have said in this short debate, there is very little provision for nurseries. We compare very unfavourably with all the other nations of Europe. It is an area of care which we should develop, and the state through the local education authority should be providing more nursery facilities for children under the age of five.

I am fortunate in that I represent a borough in which there is more than average provision for nurseries. But even in Burnley, the provision of day nurseries for people going to work is inadequate. My hon. Friend the Member for Denton and Reddish (Mr. Bennett) said that in the north-west, in the textile industry, and in Yorkshire it used to be a common provision, but as industries changed their nature and had to make economies to compete in the world it was gradually cut out and there is much smaller provision of nursery facilities in those industries now than there was a few years ago.

This amendment is important to the working mother and the working father. It would supplement the provision which is available but which is at a woefully low level. However, there is some provision in the state system and our proposal would supplement and encourage it and ensure that the parent would not have to pay tax on it. The new clause is well worth while and I hope that many Conservative Members will support us when we vote in the Division.

Mr. Derek Fatchett (Leeds, Central): Two major themes have been running through this debate and I should like to comment upon them. First, a number of Conservative Members who oppose the new clause have suggested that the reason for doing so is that they want perks to be taxed. I would take that argument with greater seriousness if they made two points in addition simply to saying they want perks to be taxed. I would take it with greater seriousness if they said that they wanted to see consistency in the taxing of perks.

It has emerged from this debate that there are differences in treatment for, say, canteens, car parks, social clubs and sports facilities and, of course, the case has been quoted many times of the greater benefit of a car provided by an employer. If the argument on perks is to be a strong one, there needs to be an argument in addition to that in relation to consistency. We have heard no arguments from Conservative Members about that.

Secondly, I would be much more convinced by Conservative Members if they showed a greater enthusiasm in their discovery of perks and their willingness to tax perks rather than simply using that enthusiasm in relation to workplace nurseries. Two or three weeks ago I went to watch half a day's play in the test match at Headingley. I should preface my remarks by saying that I paid for a public seat. As I walked round the ground, I noticed that one of the recent developments at the Yorkshire cricket club ground was the provision of private boxes or executive suites. I also noticed the amount of alcohol available. I heard some comments of a nature which in some cases I thought was disagreeable. I wondered how much of it was paid for indirectly through the Exchequer both in terms of tax allowances and untaxed perks. If we were to spend money in that way, I wondered whether it would be better spent on workplace nurseries rather than on entertaining business men at cricket grounds and at other sporting events.

If Conservative Members were consistent in their comments, they would be looking for broader taxation on perks.

Mr. Neil Hamilton *rose*——

Mr. Fatchett: I will not give way to the hon. Gentleman because he inflicted upon the House the great benefit of his knowledge for some time, and it might be unfair to my hon. Friends who want to speak if I were to give way.

My first point concerned consistency in relation to perks. My second point relates to the argument that workplace nurseries should be seen as another perk and should be taxed. The hon. Member for Tatton (Mr. Hamilton) did not answer very effectively—because I do not think he can — an intervention made by the hon. Member for Grantham (Mr. Hogg). The crucial difference—this has been a core argument throughout—between workplace nurseries and other perks is that workplace nurseries are crucial in many cases to enable people to exercise their right to work. We are talking about women in the vast majority of cases.

I do not want to use the term "perk" any further in this debate. I see the right to a workplace nursery as an essenial part of the right to work. If the hon. Gentleman were to say to us that he supported a campaign for local authority provision, we might not be having this argument. But the hon. Gentleman knows that in many parts of the country where his party is in control of local government the provision of nurseries and care for children under five is very limited indeed. What we are looking for in this new clause is not elitist support for a small number of people.

When the Financial Secretary replies, will he tell us how much implementation of the new clause would cost the Exchequer? I suspect we shall be talking about a small sum of money. It is not just a matter of providing for an elite number, which is the argument we have heard from the Conservative Benches; it is a matter of making it possible for more and more women, and in some cases men, to make use of workplace nurseries in order to exercise the right to work. I am making a fundamental argument. Many of us take it for granted that we should have the right to work and that we should have a workplace in which we can develop our talents. It is wrong for the Government and for this House to deny many people the right to exercise that opportunity.

This has been an important debate. What has emerged from it are the different perceptions of the role of women in the labour market held by Conservative Members and Labour Members. Throughout the debate Conservative Members have been saying that they prefer a marginalised role for women in the labour market. They prefer to see women in the home, and, with one or two exceptions, they are not keen to see women develop their talents as of right as they are to see men do so. That difference has been crucial.

The debate has highlighted genuine differences between the two sides of the House and the two major political forces in our society. Those differences will come across to the electorate, and it is not without significance that when we have debates that highlight fundamental differences the alliance is hardly represented in the Chamber and its limited representation is characterised by silence. Many people outside who are keen on workplace nurseries will note that Liberal and SDP Members have hardly bothered to attend and have not yet shown any interest in speaking in this important debate.

Mr. Douglas Hogg: Although the new clause is extremely attractive, it is not consistent with existing tax law. My hon. Friend the Member for Tatton (Mr. Hamilton) was right to say that the new clause goes beyond present tax laws. I was wrong when I intervened during his speech, because I do not believe that one can say that the provision of a nursery is wholly and necessarily for the purposes of employment, in the sense in which that phrase is meant in our tax laws.

The question is whether we need to make a special exemption in favour of nursery provision. Major problems arise. As my hon. Friend the Member for Tatton said, once we concede that nursery provision should be exempt from tax law, we have to ask what we should do about nannies. Are people who employ nannies entitled to set the cost against their income for tax purposes? Then we have to go even further and consider the costs of travelling to work.

[Mr. Douglas Hogg]

The new clause is attractive, but it represents a departure from existing tax law, and I suspect that the ramifications are much wider than the House conceives them to be.

Mr. Tony Lloyd (Stretford): I declare a retrospective interest. Not many years ago, my wife put our first child in a workplace nursery when she went back to work as a nurse at Manchester Royal infirmary, which runs the nursery to cater for the needs of nurses.

No one should believe that workplace nurseries have been provided only through the altruism of employers. Normally, nurseries have been seen by employers as necessary to encourage skilled personnel to return to work. My hon. Friend the Member for Barking (Ms. Richardson) referred to the tax and national insurance contributions that would be lost if we prevented such people from returning to work. We should also remember that we may be depriving the National Health Service of many skills if we bar employees from workplace nurseries.

The existence of nurseries in the NHS allows many women to return to work. I understand the logic of the arguments of the hon. Member for Grantham (Mr. Hogg), but I hope that he accepts that the major cause of the provision of workplace nurseries has been the fact that employers have had to provide them to attract employees. It is consistent to claim that the existence of those nurseries is part and parcel of the employment. For example, they are not comparable with company cars, which provide a personal benefit.

6.45 pm

There are no circumstances—if they exist, they are extremely marginal — in which an employee uses a workplace nursery to pursue other parts of his or her life or to gain extra leisure time. By definition, a workplace nursery provides a service during working hours. As my hon. Friend the Member for Leeds, Central (Mr. Fatchett) said, we are talking not about a perk, but about a service that is part and parcel of employment.

Many Conservative Members have a different concept from Labour Members about the role of women at work and of their right of access to most areas of employment. If the Financial Secretary tells us that the Government will start a massive building programme of nursery provision for children aged three to five, to bring us up even to the minimum standards of our European neighbours, that will be evidence of the Government's good faith and their attitude towards working women and we may not need the new clause. However, we do not expect to hear such an announcement. The Financial Secretary may delight us all, but it is not usual for him to delight the House.

Labour Members see the new clause as a way of increasing the independence of married women and increasing the opportunities of women with children to gain access to employment, which is desirable for the many reasons that have been mentioned, including the need and the desire or right to work.

I echo the sentiments of my hon. Friend the Member for Leeds, Central who pointed out that, throughout our debate, attendance on the alliance Benches has been poor. We have with us the Liberals' economic spokesman, the hon. Member for Colne Valley (Mr. Wainwright), and the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood), who sat with us, on occasions, in Committee. It would be instructive to know where the Liberals stand on this issue. If the Brecon and Radnor by-election had been this Thursday instead of last Thursday, we would have seen a much greater response from Liberal Members trying to show their concern and compassion. We had a full attendance on the alliance Benches earlier, but when we get to serious matters affecting our constituents, particularly those in inner city areas where there is a high proportion of single parent families, no alliance voice is raised in their defence.

Mr. Fatchett: The SDP has not been here at all.

Mr. Lloyd: Perhaps that is because SDP Members have given up on the inner city areas. My constituency is split between two local authorities. One has a poor provision of state nursery places. Not unexpectedly, it is a Conservative authority. People in that part of my constituency need workplace nurseries if they are to have employment opportunities.

I should be happy for us to subsidise nurseries in the way that we subsidise our state schools. Nurseries are important in educational terms. Any parent who has had children at a nursery can see the difference that it makes. Nurseries are not a frivolous provision or a luxury for selfish parents. They are extremely valuable to children as well as being, in many cases, an economic necessity for the parents.

For that reason I congratulate my hon. Friend the Member for Hodge Hill on his new clause. I shall be more than interested to see how many Conservative Members support him in the Division Lobby. I suspect that while we hear plenty of talk from them, they will be noticeably absent from the Lobbies.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): Having been thrust into the breach, and as it has been said that although I was present, I had not spoken, I point out that it is right and proper that the House should have the benefit of the alliance's views. I shall recommend my right hon. and hon. Friends to support the new clause.

Dr. McDonald: How many of them?

Mr. Kirkwood: I assure the hon. Lady that my right hon. and hon. Friends will be present for the vote.

I entirely endorse the way in which the hon. Member for Birmingham, Hodge Hill (Mr. Davis) introduced the clause.

There are two issues facing the House. There is the overwhelming social case for workplace nurseries. It has been deployed, and I shall not repeat all the arguments. They centred round the need to develop the position of women in society, especially those with young children. Within that group the plight of single mothers is particularly desperate. I have had constituency experience of that, as other hon. Members will have had. That, combined with the education case, makes it impossible to oppose the new clause.

However, I have reservations about the clause when it is considered from the purely logical taxation point of view. I have listened carefully to the arguments, and to the difficulties to which Conservative Members have referred. I confess that I am worried about extending the principle involved into taxation law. However, if the Government allow some of the other anomalies and tax perks to exist, and if the Inland Revenue does not attack and pursue them vigorously, I do not see why workplace nurseries should

be left out of the bag. Until the Government face up to the other worrying anomalies, we should not pass up this opportunity.

Mr. Douglas Hogg: Will the hon. Gentleman tell the House whether what he is enunciating is a matter of principle or of convenience? I understood him to say that, if the Government pursued other perks vigorously, the workplace provision places should be brought into the tax net.

Mr. Kirkwood: That is exactly what I am saying. *[Interruption.]* I have a clear idea on the subject. On the basis of the taxation principle — *[Interruption.]* The House asked me for my views, and while I am now giving those views, I am being criticised on all sides. I cannot win, but we in the alliance are used to being friendless.

The Government should look much more rigorously at some of the other tax perks. The former leader of the Liberal party, my noble Friend Lord Grimond, was keen on that, and made many suggestions about how a Government could eliminate such tax perks.

Mr. Richard Wainwright (Colne Valley): Does my hon. Friend agree that it will be sheer humbug if the Financial Secretary tries to persuade the House that his Inland Revenue machine pursues perks rigorously and thoroughly wherever they are found and, therefore, it is important to tax this one, when everybody knows that the substantial use of secretaries, office equipment and so on for personal purposes—sometimes for good purposes—is never tracked down and successfully taxed? In those circumstances, why should the Financial Secretary single out this particular case?

Mr. Kirkwood: My hon. Friend makes the point for me, and much more succinctly.

There are other ways of stimulating and promoting the workplace nursery schemes and provisions, and we should seek to use them. There are probably more effective ways of putting substantial resources into that provision, and we could undoubtedly argue about them. I certainly support Opposition Members. Would the Financial Secretary consider studying the threshold limits, and double or index-link the £8,500 annual income at present laid down? That is only one vehicle that could be used.

On balance, taking a decision on the new clause, I shall recommend my right hon. and hon. Friends to support the new clause. That is a perfectly reasonable position to take.

Mr. John Maxton (Glasgow, Cathcart): Will the hon. Gentleman assure us that he is also speaking for his colleagues in the Social Democratic party although most of us accept that the Liberal party has some last vestiges of a social conscience left, we are not so sure about SDP Members.

Mr. Kirkwood: I can do that. The view that we take when the Division bells ring is what matters. I rose only to clarify the position, and it may be that I have not done that. I have sought to explain where we stand on this matter, and we shall certainly support the amendment.

Mr. Austin Mitchell: It was good to see the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) formulate policy on the wing, not only for the grown-up section, but for the nursery section of the alliance, which has not been represented here today. The fact that he can do that almost by telepathy shows how wonderful policy formulation is in the alliance.

The main interest during the debate has come from watching the party of special pleading on the Conservative Benches. Night after night, this year and in all preceding years, Conservative Members have sat in Committee on the Finance Bill finding every loophole, anomaly and change where there is money to be made, yet they are not prepared to plead on behalf of the special section of society about which we are concerned today. Only one Conservative Member has spoken as the voice of conscience, and all credit to him. All the others have read party briefs, although with a deterioration in style and grammar, because they are on the hard road that must be hoed to reach the dizzy heights of Parliamentary Private Secretary.

Mr. Tim Smith: What?

Mr. Mitchell: Perhaps I should say the hard fields that must be tilled to reach those dizzy heights. Those fields must also be shovelled, and I am sure that the hon. Member for Beaconsfield (Mr. Smith) is good at that. While he shovels, he should consider the small number of people who have come on to the bridge while the ship sinks. It was interesting to see how few people were prepared to join in that scramble.

We have heard no effective arguments against new clause 1, only a series of nit-picking quibbles. For example, one hon. Member suggested that the new clause be widened to include child minders—as if he would vote for it if it did—and another suggested that it should be widened to include nannies, which would guarantee tumultuous votes from Conservative Members. The hon. Member for Slough (Mr. Watts) said that women should not go out to work. Although the country might be better run if that were true—Derbyshire, South might be better represented—the general proposition is not acceptable to the Opposition. We also heard the quibble about what would happen to mothers who do not get the allowance. Such petty arguments were levelled against a simple and correct principle.

There is an element of special pleading in our argument. There should be universal public nursery provision for all those who want it. The United Kingdom is badly provided for. We lag behind most of the rest of the advanced world. We have already been told that in France and Denmark between 20 and 30 per cent. of two-year-olds get some form of nursery education, and that in Belgium, France and the Netherlands 95 per cent. of four-year-olds get such provision. Only 56 per cent. get it here.

7 pm

The Conservative party cannot have it both ways. Either there should be universal public provision, on which our record is bad, or we should provide incentives such as new clause 1 proposes. Between 15 and 20 per cent. of families are single-parent families. They have special difficulties taking jobs. Therefore, they must be helped by the provision of such workplace nurseries. The proportion of single-parent families in some London boroughs is as high as 30 per cent. What do the Tories want them to do? Depend on benefit? Is it not right that they should stand on their own feet and go out to work? Is it not right that employers should help them in that by providing workplace nurseries? The country needs their skills, and work is better for them socially, psychologically and in every other respect.

It has been argued that only a few people are affected, but inflation has meant that far more people are affected.

[Mr. Mitchell]

Taxation now applies to somebody earning £6,000 a year if the costs of nursery education are added. Those costs are heavy, as workplace nurseries must have skilled staff and good premises — which are often in inner cities and therefore expensive—and be open long hours. The costs of the Kingsway nursery, which started the argument last year, are £345 a month. A person who uses nursery facilities is assessed on the costs as well as on the charge. If those costs are added to a salary of £6,000 it is obvious that many people are taken into tax. The people affected earn less than the average secretarial allowance in London —less than the salary that I hope Conservative Members pay their secretaries.

Provision of workplace nurseries is a matter of social responsibility as it is in line with other aspects of social provision which are not taxed, such as meals, car parks, which represent a substantial benefit in big cities, social and sports clubs and other facilities. Nursery provision differs from them only in so far as it relates to that section of the population which has the disadvantage of being parents, especially single parents. Enlightened employers will want to make nursery provision.

It is better that people should have access to workplace nurseries. They are probably more efficient for the parent than a neighbourhood nursery provided by the local authority, as no extra journeys are involved. Moreover, the parent is on hand in the rare event of problems, and therefore has greater peace of mind. It is not as though we are asking for some ancient provision to be changed. The change came last year with the decision by the Government and the Inland Revenue to make workplace nursery provision taxable. We argued last year where *Which?* got its information, as it said that for many years the benefit was not taxable. Irrespective of whether that magazine got its information from the Inland Revenue, as it is a popular guide to tax, benefits and allowances, the Revenue must have a responsibility to ensure that misleading information is corrected.

I have not come across a case of people being taxed in this respect before last year. It is Conservative Members who are voting for change. If they oppose new clause 1, they will impose taxation on those who benefit from workplace nurseries. They will be voting against nurseries, care for children and a small, but dependent, section of society which must be helped. They will be voting for male superiority. If new clause 1 is not carried, many nurseries will almost certainly close. People will not pay tax on the benefit because there will be no benefit.

I understand that tax was not collected until April this year and that people have not been coded accordingly until the Revenue finds out what the House decides. The Financial Secretary shakes his head. I shall be interested to hear his reply when he takes off the steel-rimmed glasses through which he has been glaring at us and puts on the mien of a reasonable man explaining reasonable facts to unreasonable people in order to defend an extremely unreasonable stance.

If Conservative Members vote down new clause 1, they will vote for the closure of a comparatively small number of workplace nurseries and unemployment for the people who work in them. If the nurseries remain open, Conservative Members will have voted for a substantial tax bill for those who benefit from them. All that retrograde voting will be in the interest of being loyal to the whim of a Chancellor who clearly, after the last by-election, is temporary.

Mr. Moore: We have had a relatively lengthy but most enjoyable debate because it has been held at a rational hour. I am sure that the hon. Member for Birmingham, Hodge Hill (Mr. Davis) and I and all hon. Members who have participated in the debate will have preferred the time at which the debate has been held this year, remembering that last year the debate was held as the dawn came up.

Let me first answer the question of the hon. Member for Leeds, Central (Mr. Fatchett). Last year I mentioned that the theoretical potential costs involved were about £1 million. Although it is not an insignificant sum to the people involved, it is relatively minor. That is not the point at issue, and I entirely accept the hon. Gentleman's point.

I think that few issues have been clouded with such legitimate argument by those who honourably argue for the benefit of those intelligent employers who seek to offer employee nurseries, and argue in favour of social provision and the relative role of women in society. I see that as a clear set of arguments. I suggest that they have confused that very legitimate set of social goals with the question of the taxability of benefit, which is a very different question.

We have now had for a year or more, to put it no more strongly, the somewhat immoderate comments not of hon. Members but of certain sections of the press which cannot always get the facts right. Facts and principle are important, and I shall try to put the facts and principle on the record.

I thank particularly my hon. Friends the Members for Croydon, South (Sir W. Clark), for Beaconsfield (Mr. Smith), for Slough (Mr. Watts), for Tatton (Mr. Hamilton) and for Grantham (Mr. Hogg). If I may do so without being rude, I distinguish the contribution of my hon. Friend the Member for Grantham. He said in two minutes what I am afraid I shall take considerably longer to say. Because I have some respect for and enjoy the company of the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood)—I know that he is a reasonable, rational man—I hope that he will hold back a little before committing himself and the alliance to the way in which they will vote until he has had the benefit of hearing what I have to say. I am delighted to observe that the hon. Gentleman nods, so there is a chance that rational man will win over what I might call practical man.

It is essential in this issue to start by trying to get back to principle. I thought that there had been a degree of understanding across the Chamber over generations about the nature of employer abuse that occurred in previous centuries and into this century. My hon. Friend the Member for Tatton referred to the Truck Acts and to the way in which employers in the past had abused employees. I thought that there had been a historical debate which joined most responsible Members of Parliament. There was an attitude demonstrated by most hon. Members towards the nature of the principle by which choice should be given to individuals in the spending of their cash so that they were not trapped into the nature of the employment in a paternalistic fashion.

I respected the opening speech of the hon. Member for Hodge Hill, who argued the case reasonably. I shall try similarly to argue my case. I think that both sides of the House shared the distaste for what might be called

concealed remuneration, especially when this could be controlled by directors. I thought that there had been a historical acceptance by all parties that pay was preferable and that therefore in equity any benefits paid must bear tax as remuneration. I use not the word "perk", but the phrase "overall remuneration". I accept the point made in that regard by the hon. Member for Leeds, Central.

7.15 pm

I should not be reminding the Opposition of some of the great figures of Labour history, but the problem before 1948—there have been constant references to the 1948 statute, which is the fount of much of this discussion—was that it was very difficult to codify in the statute the attempt to carry those principles into practice. I take the Budget speech of that late great Socialist, Sir Stafford Cripps. I use my first quote to explain why Sir Stafford Cripps argued as he did in the economic statement:

"Under the existing law, it falls upon the Inland Revenue authorities to prove that the payments are not necessary business expenses, and because of the difficulty of substantiating the case it often happens that these payments go untaxed. The majority opinion in industry condemns this practice".

He was then proposing the introduction of the 1948 statute which concerned much that is being debated tonight. He continued:

"It is perfectly legitimate, of course, to deduct by way of expenses, a reasonable expenditure . . . but this right has been noticeably abused by extension to cover the ordinary living expenses of many persons, who are either directors or employees of the companies. This must be brought to an end."

I shall give some more updated examples of the Socialist principle. He went on to say:

"there can be no doubt that many individuals are circumventing the law . . . I propose, therefore, with immediate effect, that all expenses allowances given to directors and others, and all disbursements for their benefit shall be assessed".—[*Official Report*, 6 April 1948; Vol. 449, c. 70.]

It is important for us to understand the basis of the debate. In fact, there are two debates—a tax debate and a social debate. I have also all the references to Glenvil Hall, the then Financial Secretary, who seemed to carry much of the burden for Sir Stafford Cripps in Committee. Socialist adherence to these principles had not changed. The right hon. Member for Ashton-under-Lyne (Mr. Sheldon), a former Financial Secretary to the Treasury, who had to carry the burden of the 1976 issue, confirmed in Committee time and again essentially what I have to say. I accept that he was under pressure from the Conservatives at the time. He carried the principal arguments further forward. In discussions on the Finance Bill 1976, referring to some of my right hon. and hon. Friends, he said:

"ideally all benefits in kind should be taxable . . . in equity all benefits should be taxed together with income. No one had much of a good word for fringe benefits."

Referring to the Conservative party, then in opposition, he continued:

"the Opposition dislike fringe benefits and are prepared to do nothing about them because of the obvious problems, but the Government face those problems and have introduced this legislation which it is my job to defend and explain."

He said later:

"the incidence of fringe benefits has been increasing in Britain over the past 20 years, or perhaps more, and the time has clearly come when fringe benefits need to be taxed in the same way as other emoluments."

I have many other similar quotes of what he said, correctly, in my judgment, as the Financial Secretary to the Treasury in those debates, which I have read with great admiration. He also said:

"We believe that benefits in kind are part of the emoluments of a person. The Opposition and the Government share that view; the difference is that we have decided to do something about it."—[*Official Report*, 17 May 1976; Vol. 911, c. 1100-5.]

I am not in any way concealing the nature of the criticism that he was addressing to the Conservative party, which was then in opposition. However, he argued rightly about the principle.

Some may say and, indeed, have said — not necessarily tonight but in the past year—that it was never intended to cover this or that benefit. There was no universality about it. They were wrong then in their comments, they were wrong in relation to the debate in 1948 and they were wrong in 1976 with two exceptions on which I shall comment later. The definition was all-embracing then and continued to be confirmed in detailed debates in 1976.

On 15 July 1976 our late right hon. Friend Graham Page, a great man and a man of great courage and consistency of purpose, asked almost the questions we have been asking tonight of the right hon. Member for Ashton-under-Lyne. He referred to clause 56(2) of the Finance Bill which defined what was meant by benefits. He said:

"The benefits to which this section applies are living or other accommodation, entertainment, domestic or other services."

He then said:

"Then follow the words 'and other benefits and facilities of whatsoever nature'."

He then asked the right hon. Member for Ashton-under-Lyne:

"Perhaps the Financial Secretary will tell the House what benefits will be included in the wide phrase 'other benefits and facilities of whatsoever nature'."

The right hon. Member for Ashton-under-Lyne said—I could not have said it better—in words that I am sure were given to him and that he no doubt supported:

"It is not possible to categorise all the various kinds of benefits. That is why the words were used in the 1948 Act. They seem, at least in the limited way that that legislation provided, to have given the possibility of taxing the use of these benefits. It is only right that we should use those same useful words in the current legislation".

I am trying to take us back to the universality of the principle that was applied. Having reminded hon. Members of that, I can perhaps try to explain how the Revenue — it is relevant to this point, as all hon. Members who have had responsibility in office in the Treasury are aware — was to assess the value to the recipient of the non-cash emolument and why.

The basis for the taxable benefit was established in the Finance Act 1948 as

"the cost to the employer of providing them."

That point was confirmed by the right hon. Member for Ashton-under-Lyne in the debate on 15 July 1976 when he said:

"The basis of the assessment of the benefit is the cost to the company."—[*Official Report*, 15 July 1976; Vol. 915, c. 1016-30.]

Why is that? Clearly, first, because the cost to the employer is equivalent to the extra cash remuneration the employer would otherwise pay. That ensures that payments in cash and kind are taxed equally. Secondly, it ensured that different benefits were taxed fairly in comparison with one another. Thirdly, to tax benefits at less than cost would mean treating payment in kind more favourably than payments in cash. Fourthly, taxing on

[Mr. Moore]

employer cost provides an objective test of value, removing the need for subjective judgments in that difficult benefit area.

I have tried to cover the principle, the coverage and the base upon which the costs are assessed.

Mr. Douglas Hogg: Is not the problem in taking the cost to the employer that there could be two sets of circumstances—the provision of nursery places for a large number of employees and the provision of nursery places for a small number of employees? The cost to the employer might vary depending upon the number of employees and the degree of service but the value to the employee does not change.

Mr. Moore: I accept that there is no perfect solution. In the Finance Act 1948 the attempt to assess the benefit on the basis of employer cost is not perfect. Hon. Members have said that, and I shall return to the point later when I deal with car benefits. There is a difficulty, but the method that I have described at least removes the subjectivity of the relative benefit. We have heard a great deal during the debate about the practice of assessing benefit. The method of assessment has led to much of the misunderstanding about the comprehensive nature of benefit taxation. I shall cover briefly the only main statutory exceptions to which reference has been made, to ensure that we get the point on the record. The exceptions are company canteens, luncheon vouchers and coal miners' coal and its cash equivalent.

Canteens were included in the Finance Act 1948. I think that we discussed in the early hours last year the reasons for that. They related to the food shortages at the time. The luncheon voucher concession flowed from that. That matter was decided in 1949 and published in 1954. The coal miners' coal concession was extended to cover the cash equivalent in 1944. I do not have to explain why at that time coal miners were persuaded not to take coal. It was extended as a published extra-statutory concession to the higher paid, especially, by the right hon. Member for Ashton-under-Lyne in 1975. I recognise that both exceptions are anomalies within the statute, but they have been continued by successive Governments.

I shall consider the practical applications of the 1948 statute which, after considering the matter for a year or more, I think confuse people into believing that there are many other exceptions, while any thorough analysis—I accept that it is difficult to make a thorough analysis of the issue—shows that the principles and the concept were clearly established in 1948. This has been a useful debate in that context.

Four matters have added to the confusion. The first is the effective working of the de minimis rule. As my hon. Friend the Member for Tatton said, the assessable value of the benefit is usually de minimis. Examples of the practical working of the de minimis rule are employer-subsidised sport facilities and social clubs. There is no question but that they are taxable. Where they are not de minimis—as with an easily identifiable sports facility benefit such as membership of a golf club—a tax charge is clearly sought. Car parking places also come into that category.

My hon. Friend the Member for Tatton, correctly, took some time to explain that the difficulty was not the concept of taxing; it was the identification of cost. Special rules were therefore devised. Under those rules, the assessable value of a car parking space on the employer's land is taken to be its gross rateable value. Clearly that often turns out to be de minimis to the recipient, but it does not have to be. When a parking space is rented, the matter is straightforward, and the normal rules apply.

The second point—this issue has been raised only once tonight but was debated at considerable length last year—upon which some people confuse the problem of benefits is what I might call office facilities—paper, desks and even air conditioning. Those matters are excluded in so far as they are covered by section 62(3) of the Finance Act 1976, which exempts

"Accommodation, supplies or services used by the employees solely in performing the duties of employment."

I do not have to go into the parallel that my hon. Friend the Member for Tatton drew between that and subsidised nurseries.

The third matter, which has created even more confusion—I think one or two of my hon. Friends may have fallen into a slight trap—is car flat rates. Those people who seek what they call a similar flat rate charge for employer-subsidised nurseries are confused. The problem, which was identified by the previous Labour Government, before 1977-78 was caused by the difficulty of charging for private usage by the then method of apportioning cost between business and private mileage, often on the basis of unverifiable mileage records. The Government sought to introduce scale charges. The concept of a full tax charge of 100 per cent. of the availability of the car for private usage is the aim. The Government decided to delay its introduction — I understand this fully—because of the problems of the car industry. However, the concept of scale charges was introduced to overcome the problem of identification. It was an intelligent and sensible administrative method.

The aim of the Labour Government was and of this Government is eventually to charge, in an administratively effective way, 100 per cent. of the private benefit. It would therefore seem pointless for my hon. Friends to seek to pursue that route for employer-subsidised nurseries, as it would merely achieve their present tax position.

The final practical feature of the charging mechanism for assessing the taxability of the benefit which has added to people's confusion is the £8,500 threshold. As a result of this limit many people have become liable to tax and this has caused anxiety to many hon. Members, especially my hon. Friend the Member for Croydon, South, who asked if that limit was out of date. I remind the House that the previous Financial Secretary to the Treasury, my right hon. Friend the present Secretary of State for Transport, clarified the Government's position on this in a parliamentary question in July 1983. He said:

"The earnings threshold has become an anomaly. The previous Chancellor considered abolishing it because the same and correct treatment of benefits in kind will apply to all taxpayers. That should be our long-term aim". — [*Official Report*, 7 July 1983; Vol. 45, c. 392.]

It is clear that the threshold is an anomaly because some people who receive benefits are not taxed on them. Tax treatment should not depend on a person's remuneration, but it has been immeasurably difficult to abolish.

7.30 pm

It would seem that Governments have decided that sudden change is never right, but if we accept that it is anomaly, it is clearly right not to raise the threshold and

thus perpetuate the anomaly. The practical implications of that decision become clear in debates of this kind when many people who were not affected by the 1948 and 1976 legislation now have to come to terms with it.

Before considering workplace nurseries, which are the essential issue in the debate, it is important to stress the principles involved. In the four areas that I have already mentioned—the working of the de minimis rules, the implications of the "solely for employment" rules, the use of the car flat rate scale and the practical impact of an unchanging threshold — the basic principles are unchanged. Those principles were well expressed by the right hon. Member for Ashton-under-Lyne (Mr. Sheldon) who, as the Financial Secretary to the Treasury, said to a Committee of the whole House:

"We believe that benefits in kind are part of the emoluments of a person. The Opposition and the Government share that view".—[*Official Report*, 17 May 1976; Vol. 911, c. 1105.]

I see no reason to change that fundamental acceptance of the principle that he enunciated so clearly.

I shall now deal with the taxability of the benefit of a workplace nursery in the context of that principle. I stress to the hon. Members for Barking (Ms. Richardson), for Greenwich (Mr. Barnett) and for Hodge Hill that I am not debating the value of a workplace nursery. All hon. Members are conscious of the need for employers who offer equal opportunities to provide those facilities. We are discussing the taxability of that benefit.

In giving a brief history of the issue I do not want to deal with it in the same detail as I did last year or to refute the comments already made. Suffice it to say that the benefits have been taxable since 1948, and the title of new clause 4 suggests that that is now accepted. However, there was considerable confusion. Some employers may have genuinely believed that the benefit was not taxable while others had paid tax on it. The Inland Revenue launched a special exercise in its tax offices to establish the facts. It was obvious that in many cases the benefit had not been reported to the Inland Revenue either by employers who provided it or by employees who received it. In the special circumstances, because of the confusion and because hardship would be caused by demanding payment for back years, the Inland Revenue decided not to collect tax for the period before 6 April 1985 and that tax already collected would be repaid. Indeed, I recorded that decision in a parliamentary answer earlier this year.

That is a brief history of the benefit as it affects the individuals involved, up to the beginning of this year. My explanations of the taxability of this benefit make it clear why we should not accept a new clause which seeks further to discriminate in favour of an already advantaged—I do not say privileged — minority in this area of employee benefits.

Mr. Shersby: Is there any difference in treatment for tax as between a woman who places her child in a local authority nursery and a woman who places her child in a workplace nursery?

Mr. Moore: There is no taxability on the benefits of a local authority nursery when places are extended to all members of the community. The taxability applies only where it is an employer-provided benefit.

I concur with my hon. Friend the Member for Croydon South that we should contrast the position of the people whom the new clause seeks to advantage with that of the majority of working mothers and mothers who may wish to work. I thought that the debate was supposed to be about mothers who wanted to work, but the new clause seeks to advantage the few who are already in work and whose employer, unusually, provides a workplace nursery. That involves about 2,000 mothers who, if they were taxed on the £2,500 theoretical value at a basic rate of 30 per cent., would be receiving an additional benefit of £1,750 after tax. The position of that tiny group, whom the new clause seeks to benefit, must be contrasted with that of the majority—the 2·2 million mothers with children under five, of whom 600,000 are working mothers. If the benefit were offered not just to the 2,000 who already have a modicum of advantage in their workplace activities but to all those who have the potential to seek work—the 2·2 million mothers — and if relief were given at child minder rates of £30 per week, rather than the full creche cost, the cost would be £1·3 billion.

Mr. Campbell-Savours: Stop exaggerating.

Mr. Moore: Reliefs and benefits should have significance for all, not just for the few, although it may be hard for inegalitarian Socialists to understand the truth of real opportunity for all. If the same relief were offered to the 600,000 mothers at work—*[Interruption.]* It is a compliment to my argument that the Opposition are trying to drown it with infantile barracking. If the 600,000 working mothers with children under five were offered the same benefit, the cost would be £300 million, and if one had any kind of social conscience one would have to make that offer. I know that the hon. Member for Leeds, Central, who was intelligent and rational in his argument, would want to make that contrast, because he would not want to isolate a particular group for relief.

Ignoring the inequity of not offering similar relief to those not fortunate enough to have a creche at their place of employment and the socially divisive nature of the proposal, proponents of the new clause argue that it is the tax charge that is inhibiting the development of employer-subsidised nurseries. But the key problem must still be the cost to the employer. We have heard that the cost may reach more than £4,000 per nursery place. Even at an average cost of £2,500 per place, it is not surprising that employers, however well-intentioned, find it a daunting prospect.

We are discussing not workplace nurseries and their role in our working environment, but the new assumption by the Opposition that we must use the tax system to encourage private provision for certain social needs. I find it fascinating that they should have turned their backs on their previous belief in the need for the state to provide. But more important, I wonder whether they have thought through the dilemma that they would open up if they went down that route, of which my hon. Friend the Member for Grantham started to remind us. Once they break fundamentally with the concept of the 1948 legislation, what other social provisions can be legitimately pressed via tax reliefs through the private sector? I know that many of my hon. Friends would be pressing quickly and legitimately for private medical insurance, private education and many other similar services.

Here we have a classic lesson for the Opposition. For what I know are the best of motives, they have a legitimate desire to support employers who provide nursery facilities, but they slipped into a position that can only be described as elitist. Having failed to think through the implications

[Mr. Moore]

of their position on the issue, the Opposition, in their new clause, would, first, deny their past principled position on the issues surrounding perks and pay; secondly, they would argue for tax relief for the private provision of a benefit; and, thirdly, they would pursue the advantage of a tiny minority while ignoring the interests of the vast majority. The purpose of the clause is clear—to place the few in a position of further advantage through our taxation system at the cost, no matter how small, of the majority. I urge the House to reject that inegalitarian proposal.

Mr. Terry Davis: As the Financial Secretary said, we have had a most interesting debate, in which we have ranged from the practical aspects of the proposal to the more philosophical aspects of fiscal policy.

The hon. Member for Beaconsfield (Mr. Smith) delivered his usual pinprick when he complained that the Opposition had not chosen unemployment for a debate in prime time. I draw the hon. Gentleman's attention to the fact that we tabled a new clause that referred specifically to unemployment, and would have been a peg for a debate on that issue. However, it was not selected because it was not in order on the Finance Bill. A debate on workplace nurseries is in order. I must tell the hon. Gentleman that it is also a debate on unemployment.

As my hon. Friends and I have constantly reminded the House, we are discussing whether people, mainly women and particularly single parents, are encouraged to work or discouraged from working so that they go back to social security benefits. The hon. Member for Slough (Mr. Watts) echoed the views of the hon. Member for Beaconsfield. I found their attitude distasteful. They displayed a contempt for women and ignorance of the difficulties experienced by working women, and that was a revelation to Opposition Members. That attitude is totally different from that of the Financial Secretary. At least he made it clear that he thought that workplace nurseries should be encouraged. He was at pains to distance himself from the views of his Back Benchers.

My hon. Friends the Members for Stretford (Mr. Lloyd) and for Leeds, Central (Mr. Fatchett) put their fingers right on the point when they said that the debate has shown to a marked degree the difference in attitude between the Labour party and the Conservative party towards women and their role in society. But, to be fair, some Conservative Back Benchers expressed views similar to Opposition Members' views. The hon. Members for Banbury (Mr. Baldry) and for Nuneaton (Mr. Stevens) made it clear that they opposed the tax as much as did Labour Members.

The hon. Member for Nuneaton put it well when he said that workplace nurseries give women a choice of whether to work or not. Although I prefer the Labour party approach of exempting workplace nurseries from tax, we would have supported his new clause on the basis that a half loaf is better than nothing at all. I hope that he will support us in the Lobby, as his new clause was out of order. Conservatives who agree about the inequity of taxing workplace nurseries must choose between the Government's attitude and the Opposition's views.

The Financial Secretary wants to distinguish between encouraging a socially desirable provision and taxing the benefit. I make it absolutely clear that the Labour party would much prefer nurseries to be provided by local authorities. That is our ultimate aim. In the meantime we shall deal with the world as it is. We are not afraid to abolish the tax that has been introduced as a recent change in practice, in an attempt to encourage employers and to support women and parents who, in order to be able to work, need workplace nurseries for their children. The hon. Member for Grantham (Mr. Hogg)——

Mr. Eggar: Will the hon. Gentleman give way?

Mr. Shersby: Will the hon. Gentleman give way?

7.45 pm

Mr. Davis: Neither hon. Member has sat through the debate as I have done, so I shall not give way.

The hon. Member for Grantham said that it was not consistent with present tax law to exempt workplace nurseries, because the provision of those nurseries is not necessary to enable people to work. That was a fair point. However, it is a specific exemption in tax law to exempt workplace canteens, and they are not necessary to enable people to work. Many employers do not provide office or factory canteens, but those benefits are specifically exempt. We are seeking to add another exemption.

The Financial Secretary referred to the Truck Acts, saying that cash is a better form of remuneration than benefits or payment in kind. I agree with him on that principle. However, workplace nurseries are not a form of remuneration. They facilitate people obtaining remuneration because they enable many people to work who otherwise could not do so. They are also a cheaper way of providing that facility than paying everyone a larger sum to enable those who have children to pay child minders.

The Financial Secretary expressed the distaste of us all for the Truck Acts and such payments. His historical researches have extended back to 1948. I do not dissent from his quotation from the late Sir Stafford Cripps, nor do I dissent from the quotation from my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon), but the hon. Gentleman might have had the courage to tell the House that, when my right hon. Friend expressed those views, the Conservative party voted against them. We know that it voted against them in 1976 because Conservative Members were arguing for tax-free perks for the well off. Workplace nurseries are not perks. They are not a fringe benefit any more than any other provision by an employer to enable an employee to work. We see a workplace nursery as being on all fours with a workplace canteen. We see it as an office facility in the way that it was defined by the Financial Secretary.

We believe that workplace nurseries are important for children, as my hon. Friends the Members for Greenwich (Mr. Barnett) and for Denton and Reddish (Mr. Bennett) told the House. They are as important for children as for mothers. When Conservative Members accuse us of setting one mother against another, they are really short of arguments. When they talk about employees who do not have access to workplace nurseries and similar facilities, and argue that there would need to be relief for child minding fees, let me remind them and the Financial Secretary that people who take their children to workplace nurseries are, as a general rule, and in every case that I have examined, paying for those facilities. It is not a free provision by the employer; people make a contribution to

the costs of a workplace nursery. Out of their income, after tax, they are paying as much as others are paying for child minders.

The point is that a workplace nursery is a better provision than a child minder. The hon. Member for Tatton (Mr. Hamilton) said that there had been no change in practice, and referred to a speech by the Financial Secretary a year ago. He was less than specific about which passage in the Financial Secretary's speech dealt with that point. I must tell the hon. Gentleman that an assertion is not an argument. His argument was weakened by his statement that that tax has not been collected because it has not been drawn to the attention of the Inland Revenue. I remind him that the Inland Revenue is giving the advice that the provision of workplace nurseries is not a taxable benefit. The Financial Secretary said that there was confusion. It was the advice of the Inland Revenue that caused that confusion. As my hon. Friend the Member for Great Grimsby (Mr. Mitchell) said, the Government admitted that, by agreeing to cancel demands for back tax.

The hon. Member for Croydon, South (Sir W. Clark) said that it has been the policy of successive Governments to tax any perk. He was as wrong about that as about the details that he gave on the taxation of company cars.

It is not, and never has been, a policy of the Labour party to tax canteens. It will not be a policy of the Labour party to tax workplace nurseries. When the hon. Members for Uxbridge (Mr. Shersby) and for Croydon, South (Sir W. Clark) press the Financial Secretary to raise the threshold from £8,500, they are on a loser. The Financial Secretary made it clear tonight that the Government's policy is to abolish the threshold, not to raise it. That will mean that even more people on even lower wages will be taxed. Some Conservative Members say that the provision benefits a privileged elite who enjoy £4,000 a year benefit. The hon. Member for Beaconsfield (Mr. Smith) gave an example of sloppy accounting, because he had not listened to the fact that people who send their children to workplace nurseries make a contribution. The benefit is not £4,000, because their contribution must be deducted.

Mr. Tim Smith: Would the Labour party wish the £8,500 limit to increase or to wither on the vine?

Mr. Davis: We shall certainly examine that matter, but in the meantime we would leave it where it is. The limit was introduced by a Labour Government and we would certainly not raise the threshold. I cannot tell the House whether we would go as far as the Financial Secretary and abolish it, but it is a fair point and one which we shall discuss in next year's Finance Bill. However, I shall not be diverted from the point.

The Financial Secretary admits, unlike some of his hon. Friends, that the result of the Government's attitude is that parents with children at workplace nurseries are required to pay, on average, £750 a year to the Inland Revenue. They are asked to pay £15 a week out of their income after tax. Conservative Members call them an elite minority, but they are cleaners, domestic workers, secretaries, carpenters and labourers, as well as nurses and health visitors. Yet the Conservative party calls them an elite minority and the privileged few.

The introduction of the tax will mean that workplace nurseries will become a benefit enjoyed only by the elite because they will be the only people who could afford to pay the tax and keep their children at workplace nurseries.

Under pressure, the Financial Secretary told us that the new clause would cost only £1 million. He fairly described that as relatively minor. In Standing Committee, we were told that the Government had given away £5 million as a result of the abolition of stamp duty on gifts between living people. They described that as a low yield. When they introduced a clause which gave away £2 million to oil companies, they described that as a slight amount. When they increased the limit on business entertaining expenses, which would cost less than £1 million, they called it a modest step and a negligible amount.

The Labour party is asking tonight for a modest step and a negligible amount that will benefit 2,000 people. How many people will benefit from the abolition of development land tax, costing £50 million? I should be surprised if that benefited 2,000 people. Thanks to the efforts of my hon. Friend the Member for Stoke-on-Trent, Central (Mr. Fisher), we have a list of 209 extra concessions costing between £60 million and £100 million, which will benefit only a few people.

The Financial Secretary took some time to explain the philosophical reasoning behind his opposition to the new clause. The difference between us is that he is bound hand and foot by fiscal doctrine. Indeed, he elevates doctrine to the level of dogma. The Labour party is prepared to distinguish between the perks of the wealthy and benefits to those who have the greatest difficulty in making ends meet. This is not, as the Financial Secretary claims, a new clause which supports employers. It supports employees. I promise the Financial Secretary that, whatever happens in the Division Lobby tonight, this campaign will continue. We will continue until either the Government see sense or we replace them with a Government who care for parents and children.

Question put, That the clause be read a Second time:

The House divided: Ayes 188, Noes 251.

Division No. 265] **[7.54 pm**

AYES

Abse, Leo	Clarke, Thomas
Alton, David	Clay, Robert
Ashdown, Paddy	Cocks, Rt Hon M. *(Bristol S.)*
Ashton, Joe	Cohen, Harry
Atkinson, N. *(Tottenham)*	Coleman, Donald
Bagier, Gordon A. T.	Concannon, Rt Hon J. D.
Baldry, Tony	Cook, Frank *(Stockton North)*
Barnett, Guy	Cook, Robin F. *(Livingston)*
Barron, Kevin	Corbett, Robin
Beckett, Mrs Margaret	Corbyn, Jeremy
Beith, A. J.	Cowans, Harry
Bell, Stuart	Cox, Thomas *(Tooting)*
Benn, Tony	Craigen, J. M.
Bennett, A. *(Dent'n & Red'sh)*	Davis, Terry *(B'ham, H'ge H'l)*
Bermingham, Gerald	Deakins, Eric
Bidwell, Sydney	Dewar, Donald
Blair, Anthony	Dixon, Donald
Boothroyd, Miss Betty	Dobson, Frank
Boyes, Roland	Dormand, Jack
Bray, Dr Jeremy	Dubs, Alfred
Brown, Gordon *(D'f'mline E)*	Dunwoody, Hon Mrs G.
Brown, Hugh D. *(Provan)*	Eadie, Alex
Brown, N. *(N'c'tle-u-Tyne E)*	Eastham, Ken
Brown, R. *(N'c'tle-u-Tyne N)*	Edwards, Bob *(W'h'mpt'n SE)*
Brown, Ron *(E'burgh, Leith)*	Ellis, Raymond
Bruce, Malcolm	Evans, John *(St. Helens N)*
Buchan, Norman	Ewing, Harry
Caborn, Richard	Fatchett, Derek
Callaghan, Jim *(Heyw'd & M)*	Faulds, Andrew
Campbell-Savours, Dale	Field, Frank *(Birkenhead)*
Carlile, Alexander *(Montg'y)*	Fields, T. *(L'pool Broad Gn)*
Carter-Jones, Lewis	Fisher, Mark
Clark, Dr David *(S Shields)*	Flannery, Martin

Forrester, John
Foster, Derek
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Central Fife)*
Hancock, Mr. Michael
Hardy, Peter
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Haynes, Frank
Healey, Rt Hon Denis
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howells, Geraint
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Janner, Hon Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilroy-Silk, Robert
Kirkwood, Archy
Lambie, David
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Livsey, Richard
McCartney, Hugh
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
McKelvey, William
MacKenzie, Rt Hon Gregor
Maclennan, Robert
McNamara, Kevin
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Martin, Michael
Mason, Rt Hon Roy
Maxton, John
Meacher, Michael
Meadowcroft, Michael
Michie, William
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon J. *(Aberavon)*
Morris, M. *(N'hampton, S)*
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Owen, Rt Hon Dr David
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Rt Hon J. E. *(S Down)*
Powell, Raymond *(Ogmo[illegible])*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Ross, Stephen *(Isle of Wight)*
Ross, Wm. *(Londonderry)*
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Smyth, Rev W. M. *(Belfast S)*
Snape, Peter
Soley, Clive
Stewart, Rt Hon D. *(W Isles)*
Stott, Roger
Strang, Gavin
Straw, Jack
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Torney, Tom
Wainwright, R.
Wareing, Robert
Weetch, Ken
White, James
Wilson, Gordon
Winnick, David
Woodall, Alec
Wrigglesworth, Ian
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Lawrence Cunliffe and
Mr. Sean Hughes.

NOES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Amery, Rt Hon Julian
Amess, David
Ancram, Michael
Ashby, David
Aspinwall, Jack
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blaker, Rt Hon Sir Peter
Body, Richard
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Burt, Alistair
Butcher, John
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Dykes, Hugh
Eggar, Tim
Emery, Sir Peter
Evennett, David
Fallon, Michael
Farr, Sir John
Favell, Anthony
Finsberg, Sir Geoffrey
Fletcher, Alexander
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fraser, Peter *(Angus East)*
Fry, Peter
Gale, Roger
Gilmour, Rt Hon Sir Ian
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Gregory, Conal
Griffiths, Sir Eldon
Grist, Ian
Gummer, John Selwyn
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hargreaves, Kenneth
Harris, David
Hayhoe, Rt Hon Barney
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Howard, Michael
Howell, Rt Hon D. *(G'ldford)*
Jenkin, Rt Hon Patrick
King, Roger *(B'ham N'field)*
Knight, Greg *(Derby N)*
Knowles, Michael
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Lennox-Boyd, Hon Mark
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lord, Michael
Luce, Richard
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McNair-Wilson, P. *(New F'st)*
McQuarrie, Albert
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Mariand, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mellor, David
Merchant, Piers
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Moate, Roger
Montgomery, Sir Fergus
Moore, John
Moynihan, Hon C.
Mudd, David
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parris, Matthew
Patten, Christopher *(Bath)*
Patten, J. *(Oxf W & Abdgn)*
Pattie, Geoffrey
Pawsey, James
Percival, Rt Hon Sir Ian
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Malcolm

Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Tim *(Beaconsfield)*
Speed, Keith
Spencer, Derek
Spicer, Jim *(W Dorset)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Trotter, Neville
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Walden, George
Walker, Bill *(T'side N)*
Waller, Gary
Walters, Dennis
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Sir John *(Maidstone)*
Wheeler, John
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes:
Mr. Tristan Garel-Jones and
Mr. Archie Hamilton.

Question accordingly negatived.

New Clause 2

FRIENDLY SOCIETIES

'(1) In so far as the profits of a registered friendly society or separately registered branch society from life or endowment business relate to contracts made after the date of coming into force of this Act, the reference in subsection (2) of section 332 of the Taxes Act (business exempt from income tax and corporation tax) shall have effect as if the words "for societies or branches with aggregate annual premium income of £120,000 or more, and £2,400 and £500 respectively for societies or branches with aggregate annual premium income below £120,000" were inserted after "£156", and as if in subsection (3) of the said section 332 the words "£2,400 and £500" were inserted after "£156".

(2) In section 64 of the Friendly Societies Act 1974 (as amended by section 39 above) in paragraph *(a)* for "£750" there shall be substituted "£2,400" and in paragraph *(b)* for "£156" there shall be substituted "£500".'.—*[Dr. McDonald.]*

Brought up and read the First time.

Dr. McDonald: I beg to move, That the clause be read a Second time.

The new clause seeks to increase the limits for tax-exempt business for small friendly societies from £750 to £2,400 for the sum assured and from £156 per annum to £500 per annum for annuities. This applies only to the small friendly societies — the pre-1966 societies. We understand why the Government want to deal in a different way with the post-1966 societies. It was necessary to change the limit in that case to prevent abuse.

The Government's treatment of the small friendly societies needs explanation. The Economic Secretary has spoken about this matter in Committee and in correspondence with the liaison committee of the friendly societies. It is clear that he still has not grasped the nature of these friendly societies. They are essentially local social organisations transacting insurance on an amateur do-it-yourself basis. Even the existence of such an amateur approach to insurance obviously frightens the Economic Secretary, judging by what he said in Committee. In spite of the fact that these friendly societies operate on a voluntary basis, they have been doing so to the satisfaction of their members for a long time. They do not operate on a commercial scale and have no marketing organisation competing for business. They do not advertise — their names do not appear on television or in magazines and newspapers.

The friendly societies developed to provide working class people, especially in the pre-welfare state days, with a means of providing themselves with sickness, unemployment, death or widows' benefits and of paying for funerals and preventing people from having to face a pauper's grave. Yet their existence, even in the welfare state, is still necessary. Perhaps they have become more necessary during the past few years as the welfare state has been nibbled away by the Government. Their books are kept by a part-time secretary who is not an insurance expert and there are no funds to buy commmercial expertise. The additional book-keeping necessary if such societies were to enter the taxable sector and the complexities of tax computations for mutual assurance funds would be way beyond the knowledge and competence of most secretaries of the societies.

The Economic Secretary has admitted that the direct cost to the Revenue of tax exemption for existing small societies is probably not large. He might like to put a figure on that, but it is probably only a few thousand pounds in a financial year. Now that my hon. Friends and I are coming to the end of yet another Finance Bill, we are only too well aware of the way in which the odd £1 million or £5 million is given away in tax concessions and tax relief to those who do not need it. We are asking for a small concession to friendly societies, composed as they largely are of working-class people, on a self-help basis.

On the scale on which the societies operate, it is not possible to be economic in any commercial sense, because members are performing services for the societies voluntarily. If further evidence were needed that it is not practical for small societies to enter the taxable sector, between 1966 and 1975, and since 1984, that option has been open to them and the tax-exempt limits have become increasingly onerous in real terms, but no branch society and hardly any small centralised society has felt able to enter that area.

The Economic Secretary says constantly that if the friendly societies are to survive they should do that, but they are not in a position to do so. Their membership does not want them to do so. They prefer to operate in their own way and it is such a small sector that I think that the Economic Secretary should reconsider the views that he has expressed in the past and allow them to continue in existence. It is true that they may gradually fade away but there is no need for the Economic Secretary to hasten their demise.

The Opposition have selected a limit of £2,400. This, as the Economic Secretary knows, is the present limit for trade unions. The limit was the same for both societies and the unions until 1982. In real terms, the post-war limit of £500 would now be some £5,000, which makes the proposal that we have tabled a very modest one. Of course, we have in mind the limit of £2,000 which applied to those societies until Budget day in 1984. That limit was

[Dr. McDonald]

introduced by the Government in 1980 when they doubled the limit from £1,000 to £2,000. Apart from anything else, I think that the friendly societies are confused about the treatment that they have received from the Government over the whole period of their office. At one stage the limit was raised and now it has been drastically reduced. It has been reduced to such an extent that it makes it virtually impossible for the societies to continue in the way in which they have for so many years.

Mr. Campbell-Savours: Might it be that some of the large insurance companies which contribute substantially to Conservative party funds have been putting pressure on the Government?

Dr. McDonald: I certainly think that that is a possibility. We should bear in mind the Government's behaviour towards insurance societies. To take another example of that, the proposed abolition of SERPS will put enormous amounts of business in the way of the life assurance companies. If they are putting pressure on the Government to eliminate the friendly societies, that is greedy. Some estimates put future business by 1990 arising from the phasing out of SERPS at £3 billion. If, with that bonanza to come — should the Government stay in office after the next general election — the insurance companies are still worried about the friendly societies, their greed is obviously beyond all bounds.

8.15 pm

We propose a limit of £120,000 per annum for the total contribution income for societies that are allowed to operate higher limits. That is 50 times the sum assured limit. Societies with that level of total contribution income should have a full-time employed secretary who is familiar with taxation and properly trained. The friendly societies are asking that they should no longer have to depend on entirely voluntary assistance. They would like to be able to employ at least one full-time secretary as that would enable them to provide a better service for their members.

The new clause follows the approach of the EEC's life assurance directive, which will presumably become applicable in all member states at some time in future. The EEC like the Government and the rest of us, wants to ensure that commercial insurers, including friendly societies of any size, have adequate solvency margins. However, the EEC was more sensitive and sensible than the Government in introducing a directive. It did not want to put small friendly societies out of existence by requiring impossible margins. It has laid down a margin of £300,000. It would be a good thing if the Government were to consider such friendly societies in the same way as the EEC. As the Economic Secretary and other hon. Members know, it is not often that I have a good word to say for the EEC. On this occasion it seems to be justified to speak favourably of it.

It is odd that it should be the EEC that is more considerate than the Government when friendly societies have for more than 100 years been part of our working-class tradition. The Government are trampling over all of that.

I wish to emphasise the Government's failure to understand what friendly societies are like by referring to one or two extracts from a letter from the Independent Order of Oddfellows Manchester Unity Friendly Society. The letter was sent to the Chancellor of the Exchequer in February. I think that it sets out the ethos of the societies. Part of the letter reads:

> "Successive governments have realised that well organised branches of Order Friendly Societies operate for the good of the community as a whole, combining a variety of provident operations with a sense of social duty which is unique. It adds to the country's social security structure a background of caring organisations, for the sick and dying, the widow the orphan and the distressed, which the social security constitution by its very nature finds it difficult to emulate".

The letter continues:

> "thrift is a virtue to be encouraged among what used to be called the artisan and working class in particular, and appreciating our apolitical work have understood that caring activities and encouragement of thrift in extremely difficult circumstances need practical financial encouragement which developed with certain tax privileges."

Another paragraph reads:

> "We find it difficult to understand why this government with its commitment to thrift and appeals to the nation to become a caring society should deal such a harsh blow to those who work voluntarily for the good of their fellow men in this field."

Some of the words that I have quoted from this letter might well fall from the lips of the Prime Minister as she encourages thrift and voluntary self-help in our society. In particular, she would like those virtues to be encouraged among the artisan and working classes. Although the Prime Minister would like such virtues to be encouraged, she makes sure that in every possible way her Government do nothing to encourage those who attempt to practise them in the way that they have always been practised in the organisations and societies to which they and their predecessors have belonged for such a long period.

I compare this with the reply of the Economic Secretary to the secretary of the friendly societies liaison committee in a letter dated 29 May 1985. Given the way in which the Manchester Unity Friendly Society describes itself and given all that I have already said, although the Economic Secretary says that he understands the point of view of friendly societies, he simply has not got a clue. First, he kowtows in their direction and then he refers to the need to preserve tax neutrality. Tax neutrality and fiscal neutrality in investment matters are something of a joke. In his 1985 Budget the Chancellor of the Exchequer ran scared from taxing pensions and from taxing contributions paid by both the employer and the employee. He wanted to do that because he believes in fiscal neutrality, but he did not have the courage to do so. Therefore it is nonsense to defend the treatment of friendly societies in this way.

The Economic Secretary also said in his letter that the proposal would create a dividing line between societies. Yes, it would. The Opposition appreciate that point. We are anxious to ensure that a dividing line of that kind would not be open to abuse, but when the European Community's life directive eventually applies, the Government will have to do this. Therefore they ought to accept that implication now and allow the friendly societies to flourish.

Finally, the Economic Secretary says that, if the tax regime we are asking for came into existence, these small organisations would have

> "an investment product to market to the general public which was unique in its tax advantages."

There is no way in which friendly societies could market such a product. They are not in that kind of business. They are more or less democratically organised societies which act in a way that mutually benefits their members and provides them with insurance and various other benefits that are not covered by this measure. The societies are

small and limited in their scope. They do not provide the high salesmanship that is required to market the kind of attractive investment product which the Economic Secretary thinks exists; nor are they in a position to compete with the large and well-financed companies that already operate in this market.

Despite his sympathetic noises, the Economic Secretary shows time and again that he does not understand the nature of friendly societies. We are asking for no more than a small concession that would allow them to continue to look after their working-class membership in the way that they have looked after them for many years.

Mr. Ian Wrigglesworth (Stockton, South): The hon. Member for Thurrock (Dr. McDonald) has most exhaustively presented the case for this new clause, and I rise briefly to support it. The hon. Lady has marshalled a powerful argument both for the organisations and for the proposals contained in it. They are excellent social and financial organisations that for decades have provided a tremendous service to communities in many parts of the country—certainly in the northern region which I know best. My parents were members of friendly societies, as, indeed, were all the members of our family. It would have been inconceivable for us not to have participated in the local friendly society, as many others still do.

The hon. Member for Thurrock said that she could foresee the day when friendly societies might die out. Because of the services provided by the welfare state, the demand for some of their services may no longer be so relevant, but many friendly societies still thrive and provide services for their members in a wholly correct and laudable way. Therefore, they deserve the support of the House. They are mutual organisations that provide just the kind of services that this House should be seen to support. Their social and financial motives are of the best possible kind. They supplement the work of the welfare state. Therefore, they deserve encouragement. They ought not to be treated like a City organisation, interested only in profit and looking after the interests of its shareholders. Those mutual organisations seek to serve a local community's ordinary individuals who are not well off. They deserve the support of the House, and I hope that they will receive it when the House divides.

Mr. Campbell-Savours: While keeping in order, during the course of the Committee proceedings on the question whether schedule 8 should stand part of the Bill, I raised the matter of friendly societies. I shall quote what the Economic Secretary said during the proceedings, because what he said has made it necessary to raise this matter tonight:

"the Government have no intention of applying a fiscal system to friendly societies which would force them out of business. That was not our intention last year, and it is not our intention now. It is early to judge the specific impact, but none of the evidence available to me suggests that the changes have had the impact that the hon. Member for Hodge Hill feared." — [*Official Report, Standing Committee B*, 4 June 1985; c. 316.]

I have just spoken to Mr. Madders, who is the chairman of the friendly societies liaison committee. Half an hour ago he told me that friendly societies will die if the current tax regime persists. I appeal to the Economic Secretary to see sense. If a man who represents all these organisations tells us that the future of the friendly societies he represents is endangered by a measure that was introduced last year, the Economic Secretary has a public duty to respond and reconsider the position.

When I pressed him later in Committee about the damage that might be inflicted upon small friendly societies, the Economic Secretary said that the matter was hypothetical. It is not hypothetical. We are told that damage is being done and the Economic Secretary therefore has a duty to respond.

I am also informed that if our amendment, which proposes a higher limit and raises the total premium income ceiling to £120,000 for the exempt category, were to be carried, about 97·5 per cent. of friendly societies would be relieved. Most of the 4,000 friendly societies would then be designated as falling within the tax-exempt category. If that is the case, I should have thought that, administratively, it would be wiser for the Government to proceed on that basis. I hope that, when the Minister replies, we shall be told that he has carefully costed the new clause, because the House is entitled to know how little its implementation would cost the Exchequer.

8.30 pm

The Government may raise a number of objections to what is proposed. They may say, for example, that they would oppose the new clause on the basis that it would create two categories of friendly societies. As my hon. Friend the Member for Thurrock (Dr. McDonald) pointed out, the EEC life directive—which is to be implemented by regulations under the European Communities Act 1973 in the near future—already does that, recognising that small societies cannot meet the requirements of commercial insurers, and not wanting to force them out of existence. If it is good enough for our European partners, in the form of an EEC directive, to have a two-tier system, it should be good enough for our domestic Parliament to introduce a similar two-tier system by another means.

The Government may say that distinctions between two categories would be difficult for the Revenue and the registry to supervise. The registry has a long experience, for example, of insisting on the genuine independence of societies, even against the wishes of the management committees of the societies concerned. If a society were using the higher limit, that would be a reason to insist on genuine independence.

The Government may say that branch societies are not entirely independent of their order. To be registered as a branch society, the branch must have a separate fund under its own control, as well as contribute to a fund under the control of the central body. In practice, the order operates as a policyholder's protection arrangement for the members of its branch societies, arranging for their business to be looked after if the branch gets into difficulty. As with any registered society, if a branch society is not genuinely functioning independently, its separate existence can be terminated. Surely, within that arrangement, the position is fully safeguarded.

The Government may say that the proposal would not arrest the decline of small societies. Both the numbers of registered societies and the average membership of traditional societies were declining before their limit was reduced from £2,000 to £750 last year, and that will probably continue if the proposal is accepted. However, the objection is that, without the proposal, all small societies must in time be forced out of existence. They cannot cope with the complexities of taxable business, nor is there any other type of business operation open to them.

The Government may say that the proposal would act as a deterrent to mergers. Active small societies have no

[Mr. Campbell-Savours]

wish to merge. Societies interested in accepting transfers of engagements — and offering some advantage in transferring—will be operating on a commercial scale and be transacting taxable business.

The Government may say that a lack of experience on the part of secretaries of small societies, in that they cannot handle sums assured as large as £2,400, should be taken into account. Until last year, they were handling the £2,000 limit without difficulty. That is half the figure in real terms that they were allowed to handle in the past. Indeed, the greater financial danger comes from operating within the £750 ceiling and taking on long-term contracts unlikely to have sufficient margin to meet administrative expenses. The Minister has brought that about by changing the limits, in that he has made it almost administratively impossible for them to manage their funds effectively. In doing that, he is driving them out of business.

The Government may suggest that they cannot give advice to the public up to the standard required for investor protection. But they are not competing commercially with alternative forms of investment. The investor protection proposals have not resulted from the activities of the small traditional friendly societies. If it is not intended to close them down, the proposals must be shaped in an appropriate way to allow their survival. The same consideration applies to tax legislation and the application of doctrines such as fiscal neutrality.

The Government may say that the proposal would give small societies a tax advantage. But insurance funds are taxed on investment income less management expenses. Societies operating independently on the small scale allowed by the proposal could have management expenses less than investment income only if administrative and other services were performed free of charge by members. There is no commercial tax advantage in the proposal.

The Government may say that raising the aggregate personal limit to £2,400 would allow larger societies operating at the £750 tax exempt level to hunt in packs for business. That did not happen when the limits were £2,000 and £500 respectively. It could be overcome by restricting membership for tax-exempt business to one society only.

In every respect, the Government do not have a case on this issue. My hon. Friend the Member for Thurrock put a complex case that requires a simple solution, and that is for the Minister to agree to reconsider the position. He may not be able to accept the new clause. Nevertheless, he could—as it were, in a throwaway reply, using a phrase that he might deliberately let slip—indicate that, in the coming 12 months, the Government, recognising that there is concern in this sector, will receive further representations and, at the time of the Budget debate next year, ensure that a statement is made reflecting the position that pertains among friendly societies. In the event that it can be proven that their position has deteriorated, the Minister should introduce an amendment to restore the original position and ensure the survival of this important group of organisations.

Mr. Randall: As I listened to the remarks of my hon. Friends the Members for Thurrock (Dr. McDonald) and for Workington (Mr. Campbell-Savours), I had the feeling that we were presiding over the death of the small friendly societies. Let us remember that we are referring to societies that have existed in Britain for over a century. They have had a special role to play in the nation, particularly in rural areas and especially for the less well-off members of society.

By the new clause, we are endeavouring to persuade the Government to give the small friendly societies the tax relief that is necessary to enable them to continue. My hon. Friend the Member for Workington referred to Mr. Madders, the spokesman for the friendly societies, saying that, if the existing tax regime continued, the societies could wither away. That would be sad.

The small friendly societies are remarkable organisations in that they operate on a sort of amateur basis. The local postman in the village might do the book-keeping. Deposits are collected and saved and the expenses incurred are trivial. Their income is far greater than their expenses. They do not have large administrative costs, not even full-time secretaries. In other words, we are not referring to the type of organisation that is looking for tax loopholes, the sort of body that was established after the situation in 1966. These organisations will be getting into a business liable for tax. In order to deal with matters that inevitably arise when one is in the taxable sector, they would need to establish appropriate skills and manpower. Looking at the tradition of the organisations, the competence, knowledge and skills do not exist because that is not in the nature of the friendly societies we have known for so many years. Establishing administrative systems and procedures and bringing in computers would all be part and parcel of the complexity of business that would ensue if the friendly societies were to enter the taxable sector. It is all very worrying. The signs are that if friendly societies move into the taxable field it will eventually lead to their death.

The new clause proposes to lift the limit on the tax-exempt business to £2,400 and to raise annuities from £156 to £500 per annum, which would be a small cost to the Treasury. Perhaps the Economic Secretary would tell us what that amounts to. I am not sure, but I understand that the amount is very small. Undoubtedly the margins of the business are such that the move into the taxable field is just not possible. Resources, assets and manpower do not exist to enable such a change to take place. The Government will destroy what are essentially very small businesses. I always thought that the Government were the party of the small business. Clearly they are not. They have been destroying small businesses through their economic policy and they can be thought of as a Government who advocate the centralisation of dereliction, the big battalion, the big heel stamping the little man and his little business. Those are not just vague and empty words. They can be substantiated.

People in the rural communities are being confronted, much against their will, with the city slickers. They are being pushed together with these organisations, the post-1966 societies, in an unacceptable way. I am sure that hon. Members do not wish to see any abuse, which we are all against. We understand that any anti-avoidance measures, which often have to be taken from time to time, must be supported because it is in everyone's interest to have regimes which prevent that kind of abuse. Nevertheless, small centralised companies with tight margins cannot afford to move into taxable businesses. Small friendly societies are going to find it almost impossible to continue.

The hon. Member for Workington made the very valid point that even the EEC directive on life assurance recognises that small friendly societies cannot compete with commercial institutions. From reports which I have

read, I note that Brussels recognised that the solvency margins would be too tight for small friendly societies. If we do not win the vote tonight I hope the Economic Secretary will give this matter careful consideration, because if we continue with existing tax arrangements on these institutions we can expect to see them wither away. That would be bad for Britain. It would be bad for the people of the rural areas. It would be a tradition of our country that was lost once and for all. The Opposition do not contemplate this lightly.

Dr. John Marek (Wrexham): Some weeks ago the *New Statesman* carried a photograph of the Financial Secretary, underneath which was the caption "The Minister for the Rich", or it might have been "The Minister for the Idle Rich"—I forget which. It remains to be seen whether the Economic Secretary will appear in a future edition of the *New Statesman* with the caption, "The Minister against the Working Person who Wishes to be Thrifty." This is the crux of the issue. Because this issue does not concern the idle rich and millions of pounds—as share options do—the Government are not interested.

8.45 pm

This is also an issue of mutuality. The hon. Member for Stockton, South (Mr. Wrigglesworth) asked whether there is a place for a mutual society in today's life. I believe there is. It is a concept that ought to be cherished and developed. It rises above mere capitalism and profit-making. The Government may not put it at the top of their list, but I hope that they would at least say it is a worthy concept, although one which might not make this country into a first-class industrial nation. If people wish to be guided by that concept, it is noble and should be encouraged. Unfortunately, that is not so.

Trustee savings banks are to be completely altered. Although something needed to be done, trustee savings banks are now to have shareholders and to operate in the same way as any other bank. Money is going to be siphoned away from the system. They used to be similar to credit unions, but no longer. People who invest in trustee savings banks will demand a return on their money.

The Government have decided to change the building societies and to encourage them possibly not to be mutual societies. The Economic Secretary shakes his head. I am pleased that he does. At the back of my mind there is a nagging feeling that one of the building societies is going to be encouraged to act like a bank. It might take the plunge, and have the freedom to have shareholders and perhaps to raise capital. If that happens, the concept of mutuality will go out of the window, and that will be a great pity.

Mr. Campbell-Savours: The Government will not be here long enough for that.

Dr. Marek: That may be.

My hon. Friend the Member for Thurrock (Dr. McDonald) put the case very succinctly, as did others of my hon. Friends. These societies will fade away unless something is done. It will not be a great affair of state if a small concession is given by the Government and the Bill is changed, but it will make a significant difference to quite an important section within society. It is not a financially important section, but it is important in other ways for our society.

I have not received any briefs or letters this year, although I received a number during the passage of last year's Finance Act through the House. My hon. Friend the Member for Workington (Mr. Campbell-Savours) may be right in saying that the Minister will have some technical drafting reason why he cannot accept the new clause. In that case, I echo what my hon. Friend said, and hope that the Minister will examine the position carefully. I am sure that the friendly societies will open their books to him. If I am wrong, I apologise for wasting the time of the House. I shall not speak again next year during the passage of the Finance Bill. If I am right, the friendly societies will be prepared to open their books to the Minister and show him the difficulties that they face. There is no secret about those difficulties.

I hope that the Minister will say that he will take this matter seriously. There is genuine concern about the continuation of the friendly societies. I hope that the Minister will be prepared to redress the balance in next year's Finance Bill. That would be an eminently reasonable and sensible commitment to make. I shall not prolong the debate, as I should like to hear what the Minister has to say.

Mr. Ian Stewart: Although this has been a relatively short debate, it has been interesting. A number of hon. Members have discussed the position and recalled the debates that we had last year. Before I deal with the general points that have been made by Labour Members, I shall deal with one or two specific points. I was asked what the cost of the exemption for friendly societies would be. This is very difficult to quantify, but it may be up to £5 million—that is a highly provisional figure. I was then asked about the implications of this new clause. For reasons that I shall explain when I deal with the new clause, that is unquantifiable, but it could be a high figure.

The hon. Member for Thurrock (Dr. McDonald) referred to the EC life directive. It proposes to exempt mutual associations with a contribution of income of 500,000 ecu, or about £280,000, from its provisions. However, it is not related to tax exemptions. This is a purely administrative matter. The administrative provisions are separated from the tax and we should consider tax matters on their own merits.

The hon. Member for Thurrock also talked about the proposed abolition of SERPS and said that that would put business in the hands of life offices. The hon. Member for Workington (Mr. Campbell-Savours) made the rather offensive suggestion that the Government's decisions on friendly societies were taken as a result of pressure from the insurance companies. I repudiate that suggestion absolutely. My right hon. Friend the Secretary of State for Social Services, in making his proposals for the widening of the range of pension providers, specifically mentioned the possibility of including friendly societies.

I agree largely with the comments made by Labour Members about the value of the contribution made by friendly societies to the community. They perform a useful social purpose and I appreciate, as the hon. Member for Wrexham (Dr. Marek) said, that bodies of this kind have a mutual constitution that is not only feasible but suitable and which has undoubted advantages.

I have been accused by Labour Members of simply not understanding the nature of friendly societies. I could counter that by saying that the Opposition have simply not bothered to understand the tax implications of last year's

[Mr. Ian Stewart]

measures or of what they are now suggesting. As we should look at the question in a rather dispassionate fashion, I shall desist from that line.

The Government have done a number of things in the past 12 months that are helpful to friendly societies—for example, certain provisions of the Friendly Societies Act 1984. Clause 40 of the Finance Bill also envisages a number of other helpful provisions such as the backdating of policies to three months, which will now be allowed to friendly societies. This puts them on a par with the rest of the insurance industry. The Government are undoubtedly, and can perhaps be seen to be, favourable to the friendly societies, but the societies have been in decline. The figures are quite alarming. In 1950 there were about 55 orders with over 13,000 branches. Today, there are fewer than half that number of orders and about a quarter the number of branches. Over about the same period, the number of individual friendly societies has declined to 400 or below from about four times as many.

That decline has nothing to do with the tax treatment of the friendly societies' life business. It has, unfortunately, been the fact that they have been facing more competition, not just commercial competition from the industrial life offices and other competing institutions in life assurance, but competition from the development of the state retirement pensions scheme and welfare provision generally.

Many of the members of friendly societies are now getting older and towards retirement, if they have not already reached it. The problem of numbers has arisen because of the high wastage through death and retirement of the active members of the friendly societies, which has been at a greater rate than the recruitment of new members. It is difficult to say with limited statistics for a short period, but such information as I have is that over the past year or so there have been some slightly more encouraging signs about the level of recruitment. It has not reached a level that would replace the wastage, which would have to involve a considerable increase in recruitment, but the figures are not entirely without encouraging signs.

Friendly societies have recognised that there are major problems in their present role. The national conference of friendly societies wisely established a committee to consider their future and reappraise their role. The important thing to consider when dealing with their actual business is its nature. To judge from what Labour Members have said both on this occasion and during the passage of last year's Finance Act through the House, one would have thought that the business was heavily concentrated in life assurance of a kind that would be caught by the change in the tax-exempt limits that we introduced last year. That is not the case. Smaller societies are diverse, but generally speaking their business is not mainly of that kind.

The amendment could, in theory, benefit about 360 out of 400 of the centralised societies, and they have contribution incomes ranging up to £120,000, which is the figure in the amendment. Many of these societies are very little affected, if at all, by the 1984 Budget measures and therefore would not gain very much, if anything at all, from the proposed amendments. It is estimated that about half the benefits paid out by such societies are for sickness payments, benevolent grants and so on, the funds for which are in any event tax exempt. Much of their life or endowment business is well below even the new limits which have been introduced. Much of it is for funeral provision. The figures are well below the £750 limit in last year's Budget.

9 pm

Most societies do not seem to have been engaged in selling policies of the size which would have been affected by the change in the limit. For example, the 250 smallest societies have assets of about £80,000 in all. In a random sample of 25 of those societies—that is, 10 per cent.—which the registry carried out for me, not one of them had rules providing for death benefits of more than £500. Therefore, they are within the figure we set last year. On that basis, I find it very difficult to accept the points put forward by hon. Members this year and last year.

The hon. Member for Kingston upon Hull, West (Mr. Randall) said that, if the amendment was not passed, it would be impossible for small friendly societies to continue. The hon. Member for Workington (Mr. Campbell-Savours) said that, if this amendment was not taken, all small societies might be forced out of business.

Mr. Campbell-Savours: It is not so much what we are saying: it is what we are told by the organisations themselves. They have written to us, they have sent representatives to speak to us, and we are referring what they say to the Minister. Surely they know their business. Is the Minister suggesting they are misleading us in saying that current legislation is likely to wipe them out? If he is not saying that, what is he saying? They are saying their future is in peril. If they believe that, the Minister must address himself to what they believe. It is their business, and they know it better than the Minister.

Mr. Stewart: With respect, if that is exactly what they have been saying to the hon. Gentleman, they are being misleading, because that is not the information available to the registry; it is not what they have put to me. I am in touch with representatives of the friendly societies liaison committee and the friendly society movement. The figures we introduced last year were not plucked out of thin air.

Mr. Campbell-Savours: Whom have you met?

Mr. Stewart: I have met Mr. Madders; and, if Mr. Madders can demonstrate that the limits which were introduced in the Budget last year will have an effect other than that which we believe they will have, it is open to him to produce some indication of how that will be, but he has not done so. He has made assertions of the kind which the hon. Gentleman has made.

Dr. McDonald: In view of the remarks the Minister has made, will he undertake to meet Mr. Madders with me so that we can discuss these matters with Mr. Madders?

Mr. Stewart: I am quite willing to meet Mr. Madders and quite willing to talk to the hon. Lady independently. I am always ready to meet members of representative bodies.

Mr. Campbell-Savours: The Minister is frightened.

Mr. Stewart: I am not frightened of anybody. In discussions between representative bodies and Ministers, it is better if they are allowed to meet and discuss these things between themselves. If the Opposition——

Dr. McDonald *rose*——

Mr. Stewart: I will not give way until I finish what I am about to say. If the hon. Lady and the Opposition have any material information to put forward, I hope they will do so, but they have had an opportunity in this debate and have totally failed. If they are meant to be representing the interests of the friendly societies, they ought to have done their homework. They ought to have found out about these societies, they ought to know the sort of information which I have been giving to the House, and they ought to be able to explain how the societies would be suffering. Now I will give way to the hon. Lady.

Dr. McDonald: Is the hon. Gentleman saying that he will not receive a deputation consisting of myself, Mr. Madders and others who are interested and involved in the friendly societies? That is extraordinary.

Mr. Stewart: It is not at all extraordinary. Mr. Madders is perfectly able to have access to me and to the registry, and I am perfectly ready to discuss these matters with him. The point I made seems to have offended the hon. Lady. Although she asked so charmingly for me to give way, I wish she would apply herself to the actual question which I put, which is that the application——

Dr. McDonald: Will the hon. Gentleman give way?

Mr. Stewart: No, not for the moment. If the hon. Lady is not prepared to let me answer the debate, it seems to suggest that she has no arguments to put forward.

Taxable limits do not have the dramatic effect that Labour Members claim. If they did, no doubt Labour Members and Mr. Madders would be explaining to me and to the Chief Registrar that that was the consequence of the changes. However, that has not been the case.

Dr. McDonald: The hon. Gentleman has been making extraordinary assertions about the sort of deputations that he will or will not receive. Is he really telling us that he will not receive an official Opposition spokesman plus whom ever that spokesman wishes to bring along? If so, that is extraordinary.

Mr. Stewart: I am perfectly ready to see Mr. Madders and other representatives of the friendly societies liaison committee, as I am ready to see representatives of the building societies or other bodies for which I have ministerial responsibility. I am also perfectly ready to see the hon. Member for Thurrock if she and her colleagues want to come and see me. However, I am not obliged to see representatives of the bodies for which I am responsible and Opposition spokesmen at the same time. If the hon. Lady wants to come and see me, I shall be happy to see her.

Unlike the hon. Member for Thurrock, I have an objective interest in the friendly societies. I want to see them prosper and flourish. I hope that they will be able to determine the reasons for the considerable decline and I am always interested to consider the financial, technical and tax aspects of their business because they are valuable bodies in our society.

The new clause would not be appropriate. If the benefit of tax exemption were passed on to policyholders, by giving more favourable terms, that would be contrary to reasonable and fair competition with the industrial life offices and others in the market place. If the benefit were not passed on, it would be used to subsidise either higher management costs or the societies' other business. Neither seems to be a proper use for tax exemption on life assurance.

A more practical and, although technical, important reason why the new clause is not appropriate is that it would be wide open to abuse and exploitation. When a friendly society reached the limit of £120,000, it would only have to establish a new society alongside it—with the same management and the same officers — and double the amount of business could be done. When the new limit was reached, the process could be multiplied.

As the new clause would apply to all friendly societies, the scope for exploitation would be considerable. I do not expect that many of the traditional friendly societies would exploit the provision, but that is not the point. Because the more recently founded commercial societies are more adept at exploiting commercial opportunities, they would be able to do so and it would not be necessary to find pre-1966 or traditional societies for that purpose. However, those societies could also exploit the provision. On grounds of principle and practical implications, I suggest that the House should reject the new clause.

The friendly societies have set up a committee to consider their future and we ought to continue to keep their affairs under general review. A period of stability after the many recent changes would probably be in the interests of the friendly societies.

The new clause would be open to widespread exploitation and it would not have a dramatic effect on the smaller societies about which Opposition Members have expressed so much concern.

Dr. McDonald: We have heard extraordinary statements from the Economic Secretary about the future of friendly societies and the Government's treatment of them. He declared that friendly societies were declining for all sorts of reasons, some of which I am prepared to accept and that the change that the Government instituted in the tax regime had had no effect on them, and had done nothing to hasten their decline, and he suggested that Mr. Madders was giving misleading information to me and my right hon. and hon. Friends.

The letter from the Independent Order of Odd Fellows Manchester Unity Friendly Society, to which I have already referred, does not coincide with the Minister's view. It states:

"We find it difficult to understand why this government with its commitments to thrift and appeals to the nation to become a caring society should deal such a harsh blow to those who work voluntarily for the good of their fellow men in this field . . . We can only view the suggestion emanating from the Treasury that Branches and small Societies . . . should switch to taxable business as an admission that the new limit is unreasonable and unworkable in the necessity for Branches and small Societies to remain solvent."

That is the view of a major order, not merely Mr. Madders. It sent the letter to the Chancellor of the Exchequer and was, presumably, willing to defend its remarks.

When the Economic Secretary replied to my hon. Friend the Member for Workington (Mr. Campbell-Savours) in Committee, he said:

"It is not our job to put friendly societies out of business . . . I was about to say that the Government have no intention of applying a fiscal system to friendly societies which would force them out of business. That was not our intention last year, and it is not our intention now." — [*Official Report, Standing Committee B*, 4 June 1985; c. 316.]

To justify the Government's position, the Economic Secretary must say that the societies are declining and,

[Dr. McDonald]

therefore, no longer matter, and that the previous tax changes are not in any way a cause of that decline. That simply does not stand up. It is astonishing that he cannot bring himself to discuss his reply with Mr. Madders, representatives of the friendly societies, some of my colleagues and me.

The Economic Secretary suggests that if the new clause is accepted the change in the tax regime would give friendly societies an unfair advantage in competition with life assurance companies, but it will not. He continues to fail to understand the nature of the organisations. They are small, democratic and run by their membership, and the possible abuse that he suggested will not occur in traditional friendly societies. If he believes that abuse will occur, why did the Government change the limit in 1980 and then put the regime in reverse in 1984?

The Government cannot support all their actions towards friendly societies. Either they were happy to double the limit to £2,000, as in 1980, or the Minister believes what he says, in which case it flies in the face of the way in which the friendly societies have operated for a long time. Friendly societies are more or less under the control of their members, and they would not set up a parallel organisation as he suggested.

The Economic Secretary said how sorry he was that distasteful remarks had been made about insurance companies. The tenor of his reply suggests—well, let us face it, insurance companies give money to the Conservative party. We are not sure how many or how much. Perhaps the hon. Gentleman would like to intervene and tell us. His imposition of harsh limits on friendly societies has hastened their decline.

Mr. Campbell-Savours: My hon. Friend asked about contributions. She will remember that the Labour party research department did some work on this for 1983. I had a list yesterday which showed that at least seven major assurance companies had given money to the Tory party —we are talking in terms of hundreds of thousands of pounds. Vast amounts of money are involved and they must have some bearing on how the Government think on these matters.

9.15 pm

Dr. McDonald: I am grateful to my hon. Friend for that useful and relevant information. It makes us think that insurance companies will get their reward when the state earnings-related pension scheme is abolished.

The Economic Secretary to the Treasury rightly said that friendly societies undertake business other than insurance and that many do not engage in that type of business at all. The number of societies that want to engage in such business and the number of people who want to take out policies through friendly societies are such a tiny part of the insurance market that I do not understand the Government's attitude. By accepting new clause 2, the Government would allow that section of the market to continue. They would also allow people to continue to exercise their freedom of choice and to insure themselves through friendly societies, as did their forebears.

The Economic Secretary knows that friendly societies are beginning to decline, and he is hastening their demise, but he has not produced one sensible justification for that. He has merely shown that he does not understand these mutual self-help organisations and the part that they have played in working-class life. They will not engage in commercial business or the abuses that he outlined. They simply do not operate like that. The post-1966 societies found a loophole, but they did not share anything of the ethos and customs of the traditional societies. The Economic Secretary should have grasped that by now. His failure to do so and his insistence that this little part of the market should be squeezed out of existence more rapidly will strengthen my right hon. and hon. Friends' resolve to vote for the new clause.

Question put, That the clause be read a Second time:—

The House divided: Ayes 167, Noes 238.

Division No. 266] **[9.17 pm**

AYES

Abse, Leo
Alton, David
Ashdown, Paddy
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Coleman, Donald
Concannon, Rt Hon J. D.
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Cunliffe, Lawrence
Davies, Rt Hon Denzil *(L'lli)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Ellis, Raymond
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Forrester, John
Foster, Derek
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gourlay, Harry
Hamilton, James *(M'well N)*
Hancock, Mr. Michael
Hardy, Peter
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howells, Geraint
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kennedy, Charles
Kilroy-Silk, Robert
Kirkwood, Archy
Lambie, David
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Livsey, Richard
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
McCartney, Hugh
McDonald, Dr Oonagh
McKelvey, William
MacKenzie, Rt Hon Gregor
McNamara, Kevin
McTaggart, Robert
McWilliam, John
Marek, Dr John
Marshall, David *(Shettleston)*
Martin, Michael
Mason, Rt Hon Roy
Maxton, John
Meacher, Michael
Meadowcroft, Michael
Michie, William
Millan, Rt Hon Bruce

Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon J. *(Aberavon)*
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Randall, Stuart
Redmond, M.
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Rowlands, Ted
Ryman, John
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Short, Ms Clare *(Ladywood)*
Short, Mrs R. *(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Snape, Peter
Stott, Roger
Strang, Gavin
Straw, Jack
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Torney, Tom
Wainwright, R.
Wareing, Robert
Weetch, Ken
White, James
Wilson, Gordon
Winnick, David
Wrigglesworth, Ian
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Frank Haynes and
Mr. Allan McKay.

NOES

Aitken, Jonathan
Alexander, Richard
Amess, David
Ancram, Michael
Ashby, David
Aspinwall, Jack
Atkins, Robert *(South Ribble)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Bennett, Rt Hon Sir Frederic
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blaker, Rt Hon Sir Peter
Body, Richard
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Churchill, W. S.
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Coombs, Simon
Cope, John
Cormack, Patrick
Corrie, John
Couchman, James
Cranborne, Viscount
Currie, Mrs Edwina
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Sir Edward
Dunn, Robert
Eggar, Tim
Emery, Sir Peter
Evennett, David
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Finsberg, Sir Geoffrey
Fletcher, Alexander
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fraser, Peter *(Angus East)*
Gale, Roger
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Goodhart, Sir Philip
Gorst, John
Gower, Sir Raymond
Grant, Sir Anthony
Gregory, Conal
Griffiths, Sir Eldon
Grist, Ian
Grylls, Michael
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hargreaves, Kenneth
Harris, David
Hayhoe, Rt Hon Barney
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hirst, Michael
Howard, Michael
Howell, Rt Hon D. *(G'ldford)*
Jenkin, Rt Hon Patrick
King, Roger *(B'ham N'field)*
Knight, Greg *(Derby N)*
Knowles, Michael
Lang, Ian
Lawler, Geoffrey
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lord, Michael
Luce, Richard
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
McNair-Wilson, P. *(New F'st)*
McQuarrie, Albert
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mellor, David
Merchant, Piers
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Mitchell, David *(NW Hants)*
Moate, Roger
Montgomery, Sir Fergus
Moore, John
Morris, M. *(N'hampton, S)*
Moynihan, Hon C.
Mudd, David
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Newton, Tony
Nicholls, Patrick
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parris, Matthew
Patten, Christopher *(Bath)*
Pattie, Geoffrey
Pawsey, James
Pollock, Alexander
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Raison, Rt Hon Timothy
Rees, Rt Hon Peter *(Dover)*
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Malcolm
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rost, Peter
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Tim *(Beaconsfield)*
Speed, Keith
Speller, Tony
Spencer, Derek
Spicer, Jim *(W Dorset)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Trotter, Neville
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Walker, Bill *(T'side N)*
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Wolfson, Mark
Wood, Timothy
Yeo, Tim

Tellers for the Noes:
Mr. Tony Durant and
Mr. Michael Neubert.

Question accordingly negatived.

New clause 5

PAYMENT OF EXCISE DUTY ON SPIRITS AND WINES

'The Alcoholic Liquor Duties Act 1979 shall be amended by inserting after section 74 the following section—

"74A.—(1) Any duty chargeable on spirits or wines pursuant to section 5, or section 54 above shall be paid, in any year commencing with the year which begins 1st April 1985, fifty-six days after the commencement of the relevant period.

(2) In subsection (1) above 'relevant period' means the period beginning with the date on which the spirits or wines in question are imported into the United Kingdom or removed from an excise warehouse (as the case may be) and ending on the date on which those spirits or wines are sold to a person otherwise than in the course of an excise licence trade carried on by him.

(3) The powers of the Commissioners to make regulations under this Act or under any other enactment shall be read and construed subject to, and in accordance with, this section.".'.—*[Mr. Hirst.]*

Brought up, and read the First time.

9.30 pm

Mr. Michael Hirst (Strathkelvin and Bearsden): I beg to move, That the clause be read a Second time.

The present 28-day period of duty deferment was introduced in April 1983 to give the wines and spirits trade a period of grace before excise duty had to be paid on goods brought out of bond or imported. That relief was given not least to help the hard-pressed Scotch whisky industry and to protect jobs in an industry which generates huge exports for the United Kingdom.

Since that deferment of duty was introduced, a number of measures have adversely affected the cash flow and profits of the wines and spirits trade, especially the Scotch whisky industry on which many jobs in my constituency depend. Two years ago, the concessions on tolerance losses on the bottling of spirits were withdrawn and as part of the revision of the corporate sector's fiscal regime in last year's Finance Act, stock relief was also withdrawn. I do not object to the fact that there was no exemption for the Scotch whisky industry when stock relief was withdrawn, as I realise that that would have been invidious. Nevertheless, no other industry depended so much on stock relief as the Scotch whisky industry which has a unique stock-sales ratio because whisky has to mature for a long period. The Finance Act 1984 also eliminated the postponed accounting system for VAT, to the detriment of the cash flow and profits of wine importers, many of whom also own Scotch whisky or other spirit distilling concerns.

Duty deferment was introduced as an acknowledgement of the adverse impact on cash flow of financing excise duty when the average period between import or clearance from bond and the receipt of the proceeds of sale from the ultimate customer was approximately 12 weeks. In answer to a parliamentary question from my hon. Friend the Member for Reigate (Mr. Gardiner) on 30 April 1985, my right hon. Friend the Minister of State said that the period of duty deferment in the United Kingdom was very modest compared with that in other EEC countries, where it could range up to six months.

My right hon. Friend will also be aware of the recommendations in the report of the Food and Drink Manufacturing Economic Development Committee on Scotch whisky in the 1980s. The new clause seeks to extend the duty deferment period from four weeks, or 28 days, to eight weeks, or 56 days, which is still considerably short of the 12-week average financing period between withdrawal from bond and the receipt of sales proceeds. It is a long way short of comparable duty deferment periods in EEC member countries.

I accept that the proposal that I have brought before the House in the new clause was costed in the answer that my right hon. Friend the Minister of State gave to my hon. Friend the Member for Reigate on 30 April. I accept that £185 million is a far from insignificant sum.

I could not end my speech without referring to the fact that the Scotch whisky industry is appreciative, as I am, of the lenient treatment that it received in the Budget on excise duty valorisation. The new clause should not be misinterpreted as representing a failure to acknowledge that. It is, rather, an effort to draw continued attention to the plight of the Scotch whisky industry, which can be represented by the number of distilleries that are not currently working, which have been shut down on a care and maintenance basis, or which are working at capacity of about 30 per cent. There is a real problem in the Scotch whisky industry, and that is what I am seeking to ventilate by moving the new clause.

Mr. Roger Sims (Chislehurst): I declare an interest as an adviser to the Scotch Whisky Association. If hon. Members will excuse the pun, I support the spirit of new clause 5.

As my hon. Friend the Member for Strathkelvin and Bearsden (Mr. Hirst) said, there is often a period of 12 weeks between whisky being drawn out of bond and being sold. In the wholesale trade, it is usual to have a month or two's account to allow for such expense. The agreement reached a year or two ago was that there should be an average four-week deferment period so that there was some assistance to the industry in paying the duty to which my hon. Friend refers. The new clause suggests that the period should be extended to eight weeks. I shall not quibble about precisely what would be a reasonable period of deferment. Something between nothing at all and the 12-week average period is six weeks, and that is the period that the SWA would like. An average of six weeks means that there would be a minimum of four weeks and a maximum of eight weeks. That would assist the industry very much in cash flow, which, as my hon. Friend said, is a real problem, and has been exacerbated by several measures in the past few years, particularly the abolition of stock relief.

The House will recall that that relief was a corporation tax concession to alleviate the stock value problems caused by high inflation. It was withdrawn precipitately in March 1984. It was not a gradual withdrawal — it was withdrawn at one fell swoop. It had a particularly serious effect on the Scotch whisky industry because its stocks have to be kept for so many years. It is curious that it is a capital-intensive industry, but the capital is tied up not in plant and machinery but in its stocks.

I shall not repeat all the arguments about stock relief. My hon. Friend will be familiar with them. In any event, I am conscious that they are not the subject of the new clause and I would not wish to incur your displeasure, Mr. Speaker. I say only that the abolition of stock relief has caused a real cash flow problem to the Scotch whisky industry, which estimates that its additional tax liability for the most recent financial year, simply through the withdrawal of stock relief, is some £30 million.

The extension of the period of deferment would, to some extent, alleviate the problem and would, as my hon. Friend said, bring United Kingdom practice into line with practice elsewhere. It would not be an unduly expensive measure, because it is a one-off step. There would be a cost to the Treasury this year, but it would not recur. I hope that my right hon. Friend will consider the new clause sympathetically.

Dr. Marek: The hon. Member for Strathkelvin and Bearsden (Mr. Hirst) said that some distilleries have been shut or closed temporarily on a care and maintenance basis. If that is the case, the House should be worried, because the whisky industry is a successful one that contributes to our balance of payments and has a good record of exports. It would be a great pity if the industry went into decline. I blame the Government across the board for decimating manufacturing industry and exports during the past five or six years, and it would be sad if yet another industry were to bite the dust simply because it did not receive the right help at the right time. The Government could provide such help, although it may be only temporary.

I may have got it wrong, and the industry may be healthy. Perhaps it wants this tax concession simply to make more profits. I do not know. It could be one or the other, or it may be a mixture of both. I hope that when the Minister replies he will use some of the time—I suspect that he will resist the new clause—to reassure me and the House that the whisky industry is in a good state, that it will continue to make exports for the benefit of Britain, and that we shall continue to have the present large range of malt whiskies.

Sir Hector Monro (Dumfries): I firmly support the plea of my hon. Friends the Members for Strathkelvin and Bearsden (Mr. Hirst) and for Chiselhurst (Mr. Sims) for the Government to accept the new clause. Sadly, unlike most Scottish Members, I have no constituency interest. Therefore, I speak only on behalf of a great Scottish industry that deserves as much support as it can get at a time of high unemployment, distilleries closing or going on short time, and boxing and blending plants being in a similar plight. Those of us who live in Scotland realise that that is a fact, and that we cannot turn a blind eye to one of Britain's great industries, which has provided much valuable export revenue for many years, but which is running into difficulties for reasons that are well known to Ministers. We should now think seriously about providing additional assistance.

My right hon. Friend the Minister will know that, this year, many distilleries will have to pay substantially increased rates on their plants, which are not covered by commercial or domestic relief. That has created substantial worries about their cash flows later in the year.

At the beginning of this year, my right hon. Friend the Minister was kind enough to meet a deputation of Scottish Conservative Members, who put to him the serious plight of the whisky industry. I appreciated his sympathetic hearing of our case. We welcome the favourable treatment in the Budget in relation to excise duty on whisky as compared with other spirits, and there is no question but that the whisky industry appreciated that concession. We must go further if we are to promote the industry to the top of the tree in terms of home and export production.

9.45 pm

My hon. Friend the Member for Strathkelvin and Bearsden has explained the technical aspects of the new clause relative to stock relief, which seem to the industry to be the most effective way to obtain assistance in the immediate future. The concession on stock relief which might put the Scottish industry in a similar position to that of some of our competitors in Europe would be an enormous help. In the past, Ministers have listened sympathetically to representations on the industry's plight. I know that, if they had the time to go to the whisky-producing areas in Scotland, they would see that what we have said is the truth—many distilleries have closed and many operate on short time. There is great concern in the Highlands about the future of the most important industry in the area.

I hope that Ministers have listened sympathetically to what hon. Members have said and that they will accept the new clause as a measure that will assist an industry that could do so much for our economy.

Mr. Terry Davis: I have listened with interest to what Conservative Members have said in advocating the new clause and have carefully read the papers that were kindly sent to me by the hon. Member for Strathkelvin and Bearsden (Mr. Hirst). I recognise that there is a problem. Nevertheless, I take a relaxed view of this issue because I confidently predict that the hon. Member for Strathkelvin and Bearsden will not press his new clause to a Division, whatever the Government say.

The Minister of State, Treasury (Mr. Barney Hayhoe): This short debate has concentrated on the whisky industry, although the purpose of the new clause goes rather wider than that important industry, which I think draws support from both sides of the House. We all recognise the special place of that industry in exports and its substantial contribution to trade over the years.

I am advised that the drafting of the new clause is not entirely clear. From what my hon. Friend the Member for Strathkelvin and Bearsden (Mr. Hirst) said, it is clear that he wishes to extend the deferment from four weeks to eight weeks and thereby improve the cash position of the Scotch whisky industry on which he concentrated. The measure would also affect other industries and other parts of the spirits and wine interests at home and abroad.

My hon. Friend the Member for Strathkelvin and Bearsden explained that the wine and spirits trade has been pressing for an extension of duty deferment to help its financial position and to offset the effects of various measures which have eroded the benefit of duty deferment since it was introduced in February 1983. My hon. Friend referred to the withdrawal of postponed accounting for VAT in the last Budget, the withdrawal of stock relief, the changes relating to the duty on strengths and quantities declared on bottle labels, tolerances and matters of that kind. I assure my hon. Friend that representations made direct to Treasury Ministers by the Scotch Whisky Association and others were taken into account by my right hon. Friend the Chancellor in the context of his Budget judgment and decisions this year. He decided to deal favourably with the Scotch whisky industry, and I am glad that hon. Members have referred to that decision. It is of significant value to the industry.

If one were minded to accept the spirit of the new clause and to allow increased duty deferment for wines and spirits, there would quickly be strong pressure from the

[Mr. Barney Hayhoe]

beer industry and cider makers saying that they, too, should be treated similarly. The cost of the extension of deferment proposed in the clause would be a once-and-for-all loss in the financial year of about £185 million. If the cider and beer interests got in on the act—the pressures would be great — the costs would nearly double and there would be a once-and-for-all cost of £350 million. These sums show how impossible it would be in the context of the Budget to make the concession for which my hon. Friends ask.

The Government have shown sympathetic concern for the Scotch whisky industry on a number of occasions during their lifetime. Favourable treatment has been meted out to it and I can assure my hon. Friends that sympathetic consideration will be given to their representations in future. I hasten to add that I am making no commitment to further favourable treatment. However, I am sure that my right hon. Friend the Chancellor of the Exchequer will give sympathetic consideration to the industry. I understand that all his predecessors have done so and I am sure that all his successors will. It is an industry that attracts a great deal of support on both sides of the House.

I am sorry that I am unable to accede to the requests of my hon. Friend the Member for Strethkelvin and Bearsden in his moderate, balanced and reasonable speech. I hope that the forecast of the hon. Member for Birmingham, Hodge Hill (Mr. Davis) will prove correct and that my hon. Friend will seek leave to withdraw the motion.

Mr. Hirst: I welcome the support that has been forthcoming from my right hon. Friend the Member for Chislehurst (Mr. Sims), who speaks authoritatively on behalf of the Scotch Whisky Association. It is true that I am seeking an extension of the deferment that will involve a once-and-for-all cost. I shall take the opportunity of taking to task the hon. Member for Wrexham (Dr. Marek), who is prepared always to attribute the woes of any industry to Government action. However, it is a fact that drinking habits have changed and that the Scotch whisky industry faces a threat from the increased popularity of white spirits. The industry is facing marketing difficulties.

It is always helpful and enormously consoling to have the support of my hon. Friend the Member for Dumfries (Sir H. Monro). My hon. Friend has no whisky interests and we must admire his modesty in declining to articulate his interest as a consumer of the product.

Mr. Maxton: Will the hon. Gentleman ask the leave of the House to withdraw the motion?

Mr. Hirst: The hon. Gentleman will have to wait to learn my intentions. The hon. Member for Birmingham, Hodge Hill (Mr. Davis) might have done better to listen to my opening remarks. I made it clear that the purpose of the clause was to draw attention to the importance of the whisky industry, to the difficulties that it has faced in recent years and to my desire that the sympathetic consideration that my right hon. Friend has expressed this evening will find its way into legislative effect next year. On that basis, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 10

POSTMEN'S CHRISTMAS GRATUITIES

'The provisions of section 183 (1) of the Income and Corporation Taxes Act 1970 shall have effect except in regard to personal Christmas gifts and presents given to individual postmen in appreciation of the recipient's personal qualities, such as faithfulness, consistency, and a readiness to oblige.'.—*[Mr. Campbell-Savours.]*

Brought up, and read the First time.

Mr. Campbell-Savours: I beg to move, That the clause be read a Second time.

This issue first came to the attention of British postmen and postwomen about a year ago when members in branches of the Union of Communication Workers in the area covered by the Guildford Inland Revenue office received a shock assessment of their income. The inspector of taxes had deemed that all postmen and postwomen received £150 in tips whether or not they receive them, and that they were to be taxed on those tips. The notices that included the assessment had wrongly been issued to members of the UCW who never delivered mail, including a number of individual postmen who had no direct contact with the public that they served. Cases then surfaced in Blackburn, Chorley, Preston, Burnley and Southport. Many more are no doubt in the pipeline.

After some exchanges between the professional advisers of the UCW and the Inland Revenue, the notices to non-delivery members were withdrawn and a long argument about the nature of Christmas boxes began. The union's case was, and still is, that any tip received at Christmas—whether a bar of chocolate, a calendar, a bottle or cash—is a gift and not a reward for work, in the sense that it becomes a part of earnings. The union's accountants and solicitors have pressed the case most firmly throughout the year with the Inland Revenue authorities. Just before Christmas a meeting was held with the district inspector in London Provincial 20. Following the meeting it was confirmed after discussions with the Inland Revenue's policy division, that its view was that, on the basis of present information, there were no grounds either in equity or in law for the issue of any extra-statutory concessions in respect of submissions that Christmas tips were a gift from customers and as such should not be taxable.

It was suggested in some quarters, particularly in the press, that the employers had the power to vary the decision of the Inland Revenue. This suggestion has proved to be completely unfounded, but it arose from the confusion caused by the original decision. In the discussions with the inspector, the Inland Revenue representatives made the point that comparatively few postmen who had received the notice had appealed to their local tax authority. The union pointed out that this was still the position and that it was advising that course of action. As the union wanted a decision in Parliament, there were dangers in risking appeal decisions that might be unfavourable to the union membership.

The amendment is important in so far as the wording is drawn from two sources. First, it is drawn from a letter from the Guildford office of the Inland Revenue which identifies section 183(1) of the Income and Corporation Taxes Act 1970 as the section which has led to this penal tax assessment having been made. Secondly, and perhaps more importantly, it is drawn from a judgment in the case of Seymour *v.* Reed in which it was held that

"gifts or presents made to a person on personal grounds and not by way of a payment for his services are not included as 'salaries, fees, perquisites, profits, etc.' The fact that a payment is made by someone other than the employer suggests that the payment is made by way of gift. A voluntary payment may be made in circumstances which show that it is given by way of a present on grounds personal to the recipient. In such a case the proper conclusion is likely to be that the voluntary payment is not a profit accruing to the recipient by virtue of his employment but a gift to him as an individual, paid and received by reason of his personal qualities or attainments."

Mr. Moore *indicated assent.*

Mr. Campbell-Savours: I see that the Financial Secretary is nodding his head. I hope that he will also nod his head when it comes to winding up the debate and that he will say that he agrees with the new clause.

Sir William Clark: Who wrote it?

Mr. Campbell-Savours: The hon. Member for Croydon, South (Sir W. Clark) asks who wrote it. The judge did. This was his judgment:

"It was also pointed out by Mr. Justice Atkinson in the case of Seymour *v.* Reed that a sum given as a present in appreciation of the recipient's personal qualities, such as faithfulness and consistency"—

we know that the hon. Member for Croydon, South subscribes to such principles—

"and readiness to oblige, would not be taxable."

The judgment concluded:

"We are of the opinion that these tips are not, therefore, taxable."

The Union of Communication Workers cannot accept that a one-off gift to a postman at Christmas time must be treated on the same basis as regularly given tips and gratuities to taxi drivers, waiters and hairdressers. Their measure and magnitude make them totally different.

It would be wrong for the Minister, when replying, to address himself to what he may consider to be a similarity. I think I see him shaking his head in dissent. I hope that that means that he will not deploy an argument on the basis of similarity. Taxi drivers and waiters have been known to solicit tips. Britain's postmen are precluded, by the rules of the Post Office, from soliciting tips.

10 pm

I wish to draw attention to an interesting article which appeared in the *Sun*, a publication from which I do not normally quote, and which is hardly known for its reliability. It carried a story on Wednesday 13 February 1985 under the headline:

"The meanest mail. Lawson rapped by postie Celia. Exclusive."

Mr. Denis Budge, the journalist, wrote:

"Postie Celia Mills delivered a rollicking yesterday to Chancellor Nigel Lawson—one of her customers—over his planned tax on postmen's tips. Celia, 52, stormed, 'I have never had a penny from him in the ten years I've been delivering letters to his country home.' The Inland Revenue will assume for tax purposes that posties pick up £150 a year in tips. But Celia said, 'In the past year I have had a total of £8'—

not £150—

"'a box of biscuits and a pair of tights.' Mother-of-two Celia, who works as a £52-a-week part-timer in Stoney Stanton, Leicestershire, where the Lawsons own the old rectory, now plans to send a protest letter to the Chancellor. She said, 'I'm mad enough to bite his dog. I've always been civil to him but I'll just have to clench my teeth next time.' and Celia's husband Roy said 'His tax on phantom tips is diabolical'."

Why should the Treasury assume that everyone tips their postman at Christmas, when it seems that the Chancellor has not tipped his postman for 10 years?

Celia and her husband were not the only people to object. Along with the Union of Communication Workers, my hon. Friend the Member for Sheffield, Attercliffe (Mr. Duffy) also objected and he received a reply from the Treasury. The Financial Secretary, in an appendix to a letter dated 15 March 1985, conceded that the assessment of £150 was merely an estimate based on assumptions that subsequent returns from postmen showed in many cases to have been excessive. Equally, he accepted that in assuming that all postmen in an area received Christmas gratuities, the tax offices concerned had not followed departmental instructions. I would have thought that was a fairly grave admission to make. Will the Minister address himself to that statement in winding up the debate? What is he going to do about it? Does he intend to issue instructions to all his tax offices that they should not deem in this way? Postmen and postwomen throughout the country want him to take this decision. He has the opportunity to do so when he winds up the debate.

Mr. A. J. Beith (Berwick-upon-Tweed): I am glad that this matter is on the Order Paper, because it exposes a piece of extraordinary behaviour by the Inland Revenue which caused great and justified offence to postmen and postwomen throughout the country. It demands some explanation from the Financial Secretary, who wrote to many of us on the subject. We all have copies of the letter which has been quoted. It came to the notice of postmen in the area I represent when a notice was circulated to all postmen and postwomen from the head postmaster reproducing the letter which he received from the Revenue. The letter said:

"POSTMEN/WOMEN—TIPS ETC

I understand that some, or all of your postmen/women may be in receipt of tips, (e.g. Christmas 'boxes')—whether in cash, or in 'kind'.

Such income is taxable under the provisions of the Taxes Acts.

Starting in April 1985 i.e. the tax year 1985/86, I propose to tax an estimated amount (150 per annum), by means of a deduction from the individuals' PAYE coding allowances . . .

Any individual who disagrees with his/her coding should contact Morpeth Tax Office".

This notice was circulated to postmen, who immediately wrote to Members of this House to protest. Many of them specified what they had received. Some of them pointed out that they worked in sorting offices and did not meet the public. Others pointed out the precise amount they received. One postman stated that he received £22, which was the highest figure quoted. I received a petition from 12 postmen who stated that not one of them had received more than £5 in tips in any recent Christmas.

If anything, the practice of giving postmen substantial tips at Christmas has declined along with the economic fortunes of the country and the financial security of many of the people to whom they deliver. This is not the mark of any lack of respect for the postman, who is one of the most popular figures in most of the communities in my constituency and the constituencies of many other hon. Members and whose personal service and attention is appreciated. In rural areas postmen frequently carry other messages and provide information and guidance, especially to the elderly. The postman is often the only caller of the day for many old people. He is the only person to whom they speak. He not only brings them their Giro cheques and news from their families but also gives them all kinds of advice and help.

Dr. Norman A. Godman (Greenock and Port Glasgow): Is it not the case that many of our postmen and postwomen deliver mail in communities within which the people themselves are not in a position to give them gifts at Christmas or any other time of the year?

Mr. Beith: That is absolutely so. They may also be the most generous communities. A postman is often given a hot drink on a cold wet winter's morning in a house which can least afford to be generous with food or other facilities. People who cannot afford to be generous and hand out tips and extra benefits are none the less generous and appreciative of the postman's services. The amount of money assumed by the Revenue to be a reasonable estimate is many times higher than the top figure which any postman ever receives.

I took this up with the Chancellor and I was slightly taken aback to find that the first reaction was a letter from his private office saying that a report on the tax affairs of my constituent had been called for. My constituent was the secretary of the Union of Communication Workers, who sent a petition to me and had an investigation into his tax affairs for his pains. This merely revealed the truth of the case that we were advancing. I wrote back to the Chancellor and tried to remind him that this was not one individual problem but a general problem created by tax inspectors and a series of tax offices making completely unwarranted assumptions.

The upshot of all this was that, following correspondence between many hon. Members and the Financial Secretary, the Revenue revised its estimate and suggested that £30 was a reasonable figure. It is still wrong. There may be parts of the south-east where postmen pick up that sort of money regularly, but it is simply not so in many other parts of the country. That kind of money is not pressed into postmen's hands at Christmas time because it is not available or spare.

The Revenue has made completely unwarranted assumptions at every stage. I do not see why it felt compelled to handle the matter in this way. It would not have been difficult for it to have accumulated enough information, through discussions with the unions and inquiries at individual tax offices, to come up with a more reasonable suggested figure of, say, £10. That figure would still be challenged by many postmen, who do not get any tips if they are not in direct contact with the public, or who get hardly anything.

The new clause argues that the Christmas boxes and gratuities are, as has been argued by a judge in a court case, different from the regular tips that form part of the understood income of some people. That is so. We are not talking about the way that some people's incomes are made up by regular tips. I wish that that were not so.

It remains a degrading feature of our society that some categories of people still depend on tips for their basic income. We should try to cure that in our society. Everybody should be able to rely on his pay packet to give him a decent living wage. Whether somebody is a waiter, a buffet car attendant on a train or a hairdresser, to have to rely on tips and then get into a haggle with the Revenue about what he is actually receiving is not a fair way for somebody to be remunerated for a fair day's work.

That is a different issue from Christmas gratuities, which are much more limited than they may have been at one time in some parts of the country, and are confined to a limited number of people. Such gratuities are not confined to postmen, and the new clause opens up other questions. The other category of regular house callers that comes to mind is dustmen. They serve us the year round doing an extremely unpleasant job and many people try to give them some recognition of that at Christmas.

If we pass the new clause, such other categories may be involved. I hope that the Minister will, as the hon. Member for Workington (Mr. Campbell-Savours) suggested, address his mind not to those whose income is substantially made up from tips but to those who often get only a tiny extra gratuity at Christmas from grateful customers, and on a scale about which we need hardly need be talking.

In my constituency, such tips are so small that they cannot be compared with the tax-free benefits that many other people enjoy, such as company cars, allowances available to Members of Parliament, or all sorts of things on which tax provisions are relatively generous. If a postman gets under £15 at Christmas by way of gratuities, the Revenue should not be involved. I hope that the Minister will be able to say that that will be so.

I hope, too, that the Minister will be able to bring some apology to postmen for the way in which the Revenue initially handled this matter. There should be some recognition that for most of the postmen, as for dustmen and others who occasionally get a Christmas tip, this is but a small bit of extra generosity from a limited number of people with which the Revenue should not be bothered.

Mr. John Golding (Newcastle-under-Lyme): I hope that the Minister's officials do not listen to me tonight, because I have a confession to make. Every Christmas, I go around my constituency and see constituents whom I have helped in the previous year. I have an estimate here which shows that last year I received 45 mince pies, 12 pieces of Christmas cake, four jellies, two trifles and three glasses of ginger wine. I have not declared them in my income tax return.

My case is that the Chancellor of the Exchequer has not declared his Christmas boxes either. My guess is that he received his Japanese calendar, his Marconi calendar and his Boots desk diary, and if one looks at his tax return nowhere will one find those items recorded. He will say that these were Christmas boxes. He will say, "They were given to me because of my personal qualities." He deludes himself on that as he deludes the country on everything else. He will say, "I received those because of my personal qualities such as faithfulness, consistency and a readiness to oblige." There is no end to his ability to deceive himself and others. They are not taxable.

If I am wrong, may the Financial Secretary rise and say, "I have seen the Chancellor's tax returns and I know that every Christmas box he received has been duly entered and tax has been paid on it." But we know that is nonsense. We know that those in industry, those in high positions, do not record their Christmas boxes. They do not call them tips. When the Chancellor receives tips from different companies through the Members' post, he does not regard them as tips.

10.15 pm

Mr. Sedgemore: Backhanders.

Mr. Golding: The right hon. Gentleman does not regard them as backhanders. He regards each gift as a friendly gesture, a Christmas box, not to be put down and

itemised in a column of figures to return to the Inland Revenue. He would regard himself as a Scrooge if he did that. He looks upon it as a friendly gesture and that is what the Christmas box for the postman is about. The postman is in a different category from the dustman. There are people who give the dustman a Christmas box because they think that more of their rubbish will be taken away. There are those who tip waiters. I can tell the House of my experience as a waiter, how I extorted tips from customers. People sometimes give tips to waiters because they are afraid of them, because they are embarrassed when they are with lady friends and do not want to be shown up by the waiter.

With the postman it is entirely different. There is no fear of not receiving service from the postman. You cannot buy additional service in this way, because the law says very specifically that your mail must be delivered. No discretion is given to the postman as to whether he delivers your letters. Does the Chancellor even think of giving the postman a tip? Mail is still delivered, free Christmas gifts and all, because the law says to the postman that he must deliver your mail. Therefore, there is no question of fear.

People give Christmas boxes to the postman because of the feeling of good will of the season. A payment for service is irrelevant. Those who argue that perhaps the assessment should be £10 are making an error. There should be no assessment at all. People give a Christmas box to the postman because it is part of our pattern of life. Gratuities are given to certain people at Christmas and they are given to the postman because he is "the friendly postman." People give them to a friendly familiar face; it has nothing to do with service.

The Government should accept the new clause and admit that it is niggardly, miserable and Scrooge-like to continue to tax Christmas boxes.

Mr. Harry Ewing (Falkirk, East): I declare an interest as a sponsored Member by the Union of Communication Workers and as a former postman.

Mr. Golding: A friendly face.

Mr. Ewing: As my hon. Friend says, a friendly face. I shall bring all my years of experience to the debate. My hon. Friend the Member for Workington (Mr. Campbell-Savours) got it right with his mixture of seriousness and farce. The hilarity that has entered the debate is appropriate, because the Government's proposal is a farce. For the Inland Revenue to suggest that postmen get anything like £150 at Christmas is one of the greatest farces I have ever heard of.

It may not be known to hon. Members that officers working in the post office in our Central Lobby were assessed as receiving £150 in tips. I see the Financial Secretary smiling; he obviously knows what happened. It was outrageous.

I am glad that my hon. Friend the Member for Newcastle-under-Lyme (Mr. Golding) took up a point made by the hon. Member for Berwick-upon-Tweed (Mr. Beith). It is obvious that the prospect of power is beginning to affect alliance Members — not that that prospect will ever materialise. I note that the hon. Member for Berwick-upon-Tweed moved away from his previous position of objecting to taxing the tips of postmen and postwomen and said that an assessment of £10 or £15 would be acceptable. The hon. Gentleman is obviously looking——

Mr. Beith: The hon. Gentleman misquotes me.

Mr. Ewing: The hon. Member said it. If he wishes to correct the record and to rescue himself, I will give way to him.

Mr. Beith: The hon. Gentleman misquotes me. I said that reasonable behaviour by the Inland Revenue in the first place might have been to offer an estimate of £10 or £15 and not £150. My argument was that £10 or £15 for the Revenue is not worth bothering about.

Mr. Ewing: The hon. Gentleman has confirmed the point that I was making, which was that £10 or £15 would be acceptable to him.

Mr. Beith: No.

Mr. Ewing: The hon. Gentleman suggests that that would have been reasonable behaviour. That suggests to me that the hon. Gentleman, who is not an unreasonable man, would not oppose what he regards as reasonable behaviour. The Liberal party has shifted its position.

As my hon. Friend the Member for Workington pointed out, Celia Mills has never had a tip from the Chancellor who is imposing this policy on postmen and postwomen throughout the country. I have experiences of Christmas tips and Christmas boxes. My tips did not amount to £150 in all the years that I worked for the Post Office — let alone total that amount in one year. I vividly remember one Christmas when I was on a rural delivery. My Christmas gifts amounted to one chicken which had been accidentally run over, 14 turnips, the promise of a load of manure for my garden — a promise which was never delivered. My other gifts included three pairs of socks and five dozen eggs. That was all after a year of running the farmer's children to the road end so that they could catch the school bus. Yet the Chancellor of the Exchequer suggests that postmen receive £150 each year in tips. The proposal is outrageous.

If the Financial Secretary has any common sense, he will throw away his silly briefing, which will undoubtedly be couched in highly technical language. It will no doubt argue that these are not tips or gifts and that the House should oppose the new clause. He should tell his civil servants to go and have an early night, and the Inland Revenue to concentrate more on the Lord Vesteys of this world. It is no wonder that the Chief Secretary is not replying to the debate. He congratulated Lord Vestey on defrauding the Inland Revenue of millions of pounds, yet he tells postmen that they must pay tax on tips of £150 a year.

Although we have treated the subject lightheartedly, postmen and women do not. Hundreds of them have had their weekly earnings reduced by £1 or £2 a week because of the Government's policy. It is nonsense to suggest that post office staff get tips all year round, because they do not. At Christmas and New Year they receive gifts, and the Inland Revenue has no right to tax them. I urge the Minister to exercise common sense, to speak for only a minute, and to accept the new clause.

Mr. Randall: My speech will be brief. The Inland Revenue has made a great big blunder on the issue of tips for postmen, and the way in which it deals with their tax assessments.

The role of the Union of Communication Workers in protecting its members is to be commended. It has done an extremely good job in bringing the matter to

[Mr. Randall]

everybody's notice. I am impressed by the way in which it has pressed the case and made the appropriate representations. We are concerned with a group of people on low incomes, who deliver mail in all weathers, often through snow and ice, and who often work through the night. They provide a good service and are admired by the British people. Yet the Government wish to tax a once-a-year gift which is given voluntarily in recognition of their wonderful service.

How did the Minister arrive at £150? I am sure that any assessment of tips would reveal an enormous discrepancy between those received in Guildford, which is in the affluent south-east, and those received in my constituency. How many postmen's rounds were considered? How many interviews with householders were conducted? The £150 is so arbitrary that I cannot see how the Minister justifies it.

10.30 pm

Is geography to be taken into account in tax assessments? The Government have muddled postmen with workers such as taxi drivers, hair dressers and people who work in restaurants, who regard tips as part of their regular income. It is inequitable of the Inland Revenue to include the once-a-year gift in the same category. Where will it end? If the Government go ahead with this outrageous step, what will happen to milkmen, and dustmen? I hope that the Minister will seriously reconsider the matter. People will regard these proposals as extremely unfair. The sum makes no difference to the Revenue, and no point of principle in financial terms is involved. I hope that the Minister will accept new clause 10.

Mr. Austin Mitchell: The main surprise of the debate is that the Financial Secretary has not already said that he will withdraw this provision so that we can avoid the necessity of voting against it and bringing down the Government and so that we can go home by 11 pm, content that we have saved the country.

The other big surprise is that, in the serric ranks of aspiring Parliamentary Private Secretaries, none has come out and defended what is being done. That is amazing for a party that will defend any iniquity and any folly. Treasury briefs have gone unread. What is being done here is an example of the Government's desperate trawl for money, which starts at the top with the flogging off of national assets and finishes at the bottom with the taxing of workplace nurseries and imaginary postmen's tips.

This is the thin end of the wedge. Where will it stop —dustbinmen's tips, milkmen's tips, the Parliamentary Private Secretary's tip from a grateful Minister at Christmas? Will it stop with presents for secretaries from Members of Parliament? The £150 has been plucked out of the air. I hope that the Financial Secretary will tell us what it is based on. Were postmen followed round by Inland Revenue officials counting every burp and estimating every mince pie and its value, counting every hiccough and estimating how many drams of whisky went into producing it and counting the amount of money that postmen are seen putting in their pockets as they come out of houses? How was this done? There is no evidence that £150 is anything like the figure that postmen receive. Were Treasury Ministers asked whether they gave enough to balance the Chancellor's meanness? If the Chancellor gives any tip at all, it is simply despair. That is the appropriate tip to give when one considers his economic policy.

Mr. Sedgemore: It is done by MORI polls.

Mr. Mitchell: I shall not comment on MORI polls. It is ludicrous to set this figure because not all postmen receive Christmas boxes of any kind. The size of the Christmas box depends on the area that the postman serves. My experience as a postman is that the better Christmas boxes came from the humble working-class areas. In the middle class areas one would get a glint from steel-rimmed glasses and a mincepie handed over with forceps from some distance. The estimate must be calculated by area.

I believe that the tips should not be taxed. New clause 10 is worded to reflect the legal judgement in the case of Seymour v Reid in 1927 in the Appeal Court. A professional cricketer in the service of Kent county cricket club was threatened with taxation, but the judgment held that a sum given as a present in appreciation of the recipient's personal qualities, such as faithfulness, consistency and a readiness to oblige—the type of PPS qualities that the Government esteem—would not be taxable. Since the new clause has been cleverly worded by my hon. Friend the Member for Workington (Mr. Campbell-Savours) to reflect all those characteristics and that judgment, postmen's tips are better not taxed. I hope that the Financial Secretary will say that he will withdraw the proposal. It is petty and wrongly based, wrongly researched and bears no relation to the nature of the job. Has the great experiment of Conservative tax reform under the Chancellor come to these petty methods?

Dr. McDonald: My hon. Friend the Member for Falkirk, East (Mr. Ewing) described the realities of a postman's life at Christmas. That contrasts sharply with the letter from the inspector of taxes in Guildford saying:

"The estimate of £150 for tips in the codings was calculated as 30p per house on a round of 500 homes over a 15 day period."

That assumption is absurd when postmen are given gifts in kind, promises of gifts which do not materialise and perhaps the odd pound. It does fit the sums, and the Chancellor did not chip in with his 30p contribution, but I shall not embarrass the Financial Secretary by asking him to comment on that story.

The Government's proposal also conflicts with the provisions in clause 42 which raise the limit for business gifts from £2 to £10. More exemption is allowed for a business than for postmen receiving a gift in recognition of the service that they have rendered and the qualities that they have shown throughout the year. That is utterly mean. It involves almost £1 per week in tax for postmen who have not thought to challenge the £150 assessment or whose appeals against it have failed.

The Financial Secretary knows that there is plenty of case law clarifying the amounts of money which count as gifts and are not subject to tax because they are given to help someone out or in recognition of personal qualities and distinguishing between cases of that kind and tips. All that the Financial Secretary has to do today is to say that he will end the nonsense of assuming that postmen receive 30p per house on a round of 500 homes over a 15-day period and insist that any benefits received by postmen —bearing in mind that they are not allowed to solicit gifts or to receive gifts at any time other than Christmas

—are regarded as gifts in recognition of the postman's personal qualities and friendly face and that they are not tips.

If the Financial Secretary will give us that undertaking we shall not need to divide the House and the matter will have been settled very quickly.

Mr. Moore: The charm of the hon. Member for Thurrock (Dr. McDonald), combined with the endearing comments of the hon. Member for Falkirk, East (Mr. Ewing) and others are an enormous temptation but Treasury reality holds me back. If hon. Members who are desirous of voting on this will listen to my explanation they may question whether they really want to vote for the new clause.

The new clause seeks to establish exceptional tax treatment for tips received by postmen at Christmas. I will deal with the technical defects of the amendment separately so as to help the hon. Member for Workington (Mr. Campbell-Savours) in any attempt that he may wish to make to return to the subject on a future occasion. First, however, I shall deal briefly with the arguments of principle.

It is difficult to see why postmen should be singled out for special tax treatment and not be taxed on their tips when other employees who receive tips at Christmas continue to be taxed on them. I shall come on to the assumptions in a minute, but in general tips are a form of income and as such it seems right that they should be taxed in the same way as the rest of the employee's income.

We would be unwise not to say so even if we did not believe it, and I certainly do believe it, but we all value the efforts of our postmen to get the post through in difficult conditions, especially at Christmas. The recollections of the hon. Member for Falkirk, East will live long in my memory. Nevertheless, it would not be right not to tax one form of income received by one group of people while others have to pay tax on all their income.

The amounts can be substantial. Some postmen clearly receive very modest amounts—I shall not go into details on an individual basis — but others have declared amounts of more than £250. *[Interruption.]* I am simply putting the facts on record as I am sure that the hon. Member for Workington would wish. Exempting that kind of income from tax would put postmen at an advantage compared with other employees.

As the hon. Member for Workington has said, the new clause arises as a result of the action taken by certain tax offices earlier this year to include an estimate of tips in some postmen's coding notices for 1985-86. I had hoped that the House would recall my reply on 1 April to a question from my hon. Friend the Member for Newcastle upon Tyne, Central (Mr. Merchant). I reported that in February some 15 of the 100 or so tax offices dealing with postmen had included an estimate of £150 for tips in 1985-86 coding notices. I am sorry to say that that was done without first checking with the postmen concerned whether tips were received and, if so, what amount. I very much regret the inconvenience and worry that that action caused the people concerned and I apologise once again on behalf of the Inland Revenue and myself. It was particularly unfortunate as long-standing guidelines make it clear that adjustments to coding notices in respect of tips should not be made until every possible attempt has been made to find out the facts. The Inland Revenue is sorry that the offices concerned acted contrary to those instructions and has apologised. It has also taken steps to rectify the position by approaching the postmen concerned or their representatives to establish the facts and, where appropriate, to issue revised coding notices. Tax offices have been reminded of the instructions on taxing tips.

Mr. Fisher: Will the hon. Gentleman give way?

Mr. Moore: If the hon. Gentleman will forgive me, I shall not give way as I have been asked to be as brief as possible.

I shall not go into the relative position of other roundsmen such as milkmen, dustmen, and so on, but will deal with the essential point that the hon. Member for Workington raised so clearly and specifically at the beginning of the debate. Apart from the principles involved, the clause is defective and redundant. It seeks to exempt postmen's tips from tax but it is technically defective in the way in which it defines the tips that it seeks to exempt. The hon. Gentleman referred to one court case, but there are many others. The courts have already noted in cases dating back to the 19th century — *[Interruption.]* I am trying to put the facts on record in a matter which affects many men and women in this country.

10.45 pm

The courts have already noted in cases dating back to the 19th century that gifts and presents, as the hon. Member for Workington rightly said, given because of the personal qualities of an individual as an individual, are not taxable. They do not arise out of the employment, but because of the personal qualities of the person himself. But tips are usually given to postmen or other employees in return for being postmen. They are an extra reward for delivering the post, in a pleasant and helpful manner. I understand that the clause as worded probably would not exempt those tips. It would simply give statutory backing to the exemption under the ordinary rules of schedule E. As the hon. Member for Workington rightly said, the taxpayer has the commissioners and the courts to test that. That is what the courts of our land are for. The exemption is already enshrined in case law, for the non-taxability of the very few tips given because of a person's personal qualities.

Therefore, in essence, the new clause seeks to exempt what is almost certainly already exempt, while leaving —this is the critical point—taxed what I assume it seeks to relieve. I trust that the House will, while recognising the apology that I gave and the relevant facts in the past, not push the new clause to a Division.

Mr. Campbell-Savours: I do not wish to detain the House, but I have to say to my hon. Friends that the Minister's reply was spiced with the subjunctive mood of doubt. All the time he said, "might", "perhaps", or "could". That is not good enough. I call upon my hon. Friends to support my new clause in the Lobby.

Question put, That the clause be read a Second time:—

The House divided: Ayes 172, Noes 244.

Division No. 267] **[10.46 pm**

AYES

Alton, David	Barnett, Guy
Ashdown, Paddy	Barron, Kevin
Ashton, Joe	Beckett, Mrs Margaret
Atkinson, N. *(Tottenham)*	Beith, A. J.
Bagier, Gordon A. T.	Bell, Stuart
Banks, Tony *(Newham NW)*	Benn, Tony

Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Carlile, Alexander *(Montg'y)*
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Coleman, Donald
Concannon, Rt Hon J. D.
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Cunliffe, Lawrence
Davies, Rt Hon Denzil *(L'lli)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Ellis, Raymond
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Forrester, John
Foster, Derek
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hancock, Mr. Michael
Hardy, Peter
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Haynes, Frank
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kennedy, Charles
Kilroy-Silk, Robert
Kirkwood, Archy
Lambie, David
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
McKelvey, William
McNamara, Kevin
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Martin, Michael
Mason, Rt Hon Roy
Meacher, Michael
Meadowcroft, Michael
Michie, William
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Rowlands, Ted
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R. *(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Snape, Peter
Soley, Clive
Stott, Roger
Strang, Gavin
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Torney, Tom
Wainwright, R.
Wareing, Robert
Weetch, Ken
White, James
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec
Wrigglesworth, Ian
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Don Dixon and
Mr. John Maxton.

NOES

Aitken, Jonathan
Alexander, Richard
Amery, Rt Hon Julian
Amess, David
Ancram, Michael
Ashby, David
Aspinwall, Jack
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Rt Hon Sir Frederic
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blaker, Rt Hon Sir Peter
Body, Richard
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Currie, Mrs Edwina
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Favell, Anthony
Finsberg, Sir Geoffrey
Fletcher, Alexander
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fraser, Peter *(Angus East)*
Gale, Roger
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Goodhart, Sir Philip
Gorst, John
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Grist, Ian
Grylls, Michael
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hargreaves, Kenneth
Harris, David
Hayhoe, Rt Hon Barney
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Howard, Michael
Howell, Rt Hon D. *(G'ldford)*
Jenkin, Rt Hon Patrick
Jones, Robert *(W Herts)*
Knight, Greg *(Derby N)*
Knowles, Michael
Lang, Ian
Lawler, Geoffrey
Lawson, Rt Hon Nigel
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Luce, Richard
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
McNair-Wilson, P. *(New F'st)*
McQuarrie, Albert
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mellor, David
Merchant, Piers
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman

Mitchell, David *(NW Hants)*
Moate, Roger
Montgomery, Sir Fergus
Moore, John
Morris, M. *(N'hampton, S)*
Moynihan, Hon C.
Mudd, David
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Newton, Tony
Nicholls, Patrick
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parris, Matthew
Patten, Christopher *(Bath)*
Patten, J. *(Oxf W & Abdgn)*
Pawsey, James
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Raison, Rt Hon Timothy
Rees, Rt Hon Peter *(Dover)*
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Malcolm
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Tim *(Beaconsfield)*
Speed, Keith
Speller, Tony
Spencer, Derek
Spicer, Jim *(W Dorset)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Trotter, Neville
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Wakeham, Rt Hon John
Walker, Bill *(T'side N)*
Walker, Rt Hon P. *(W'cester)*
Wall, Sir Patrick
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Wolfson, Mark
Wood, Timothy
Yeo, Tim

Tellers for the Noes:
Mr. Tim Sainsbury and
Mr. Michael Neubert.

Question accordingly negatived.

Finance Bill

New Clause 11

SUPPLIES OF SERVICES AND TRANSACTIONS BY TRADERS

Services supplied or transactions carried out by a trader shall be treated as taking place at whichever is the earliest of the following times:

(a) when the payment in respect of those services or transactions is received in the trader,

(b) when the trader issues a tax invoice in respect of them, or

(c) the day when the trader ceases to trade.'.—*[Mr. Campbell-Savours.]*

Brought up, and read the First time.

Mr. Campbell-Savours: I beg to move, That the clause be read a Second time.

I propose this measure on behalf of hundreds of thousands of business men who, if they knew what I am about to reveal, would be most concerned about the legislation penalising their position.

I must express my indebtedness to my hon. Friend the Member of Sedgefield (Mr. Blair) whose revelations during the Committee debate in the Finance Bill interested my colleagues to such an extent that we were able to identify a special tax concession which has been provided to barristers and which was passed in 1981 without parliamentary debate. None of us knew anything about the concession until my hon. Friend brought it to our attention. His sense of objectivity outweighed his commitment to the Bar, and that must be the mark of a truly great parliamentarian.

11 pm

I must tell the House that the new clause is defective. It follows exactly the wording of the concession that was given to barristers under the VAT (General Regulations) 1980, of which section 20 states:

"Services supplied by a barrister, or, in Scotland, by an advocate, acting in that capacity, shall be treated as taking place at whichever is the earliest of the following times:—

(a) when the fee in respect of those services is received by the barrister or advocate;

(b) when the barrister or advocate issues a tax invoice in respect of them; or

(c) the day when the barrister or advocate ceases to practise as such."

That provision enables barristers to enjoy the concession.

We are examining a privilege. We have privileges in education, housing and employment and here we have a privilege in taxation. That privilege provides that a barrister does not have to pay VAT to Customs and Excise until he has claimed in turn from his own client. That is a special concession. All other traders are required to pay VAT to Customs and Excise within a maximum of three months after they invoice their clients. Barristers are in a special position. In justifying the concession, Customs and Excise states:

"Unlike other 'tradesmen', barristers do not have the option of taking clients to court in order to recover unpaid fees. Although it might be said that the practical disadvantage of not being allowed to sue compared with the privilege of being allowed to sue someone who has not paid a debt—presumably because there is no money with which the debt can be paid—my be slight".

That is how Customs and Excise justifies the concession.

The hon. Member for Corby (Mr. Powell) was far more interesting in his intervention in the debate that took place in Committee on this issue. He gave us the real reason. He did so when it was necessary for someone to come to the aid of the Chief Secretary to the Treasury to explain to the Committee what the concession was all about. The right hon. and learned Gentleman did not know the reason at that moment for its introduction. The hon. Gentleman said:

"The special concession negotiated by the Bar when VAT was introduced in 1972 or 1973 arose because a portion—about 40 per cent.—of practising barristers relied almost entirely on legal aid fees for their income. Unlike other fees which other members of the Bar may receive, legal aid fees are not negotiated in advance. They are all determined by taxing officers of the courts in arrears. Therefore, when the work is done, the fee is unknown and may be unknown for a long time.

However, a difficulty arose in that in order to secure taxation of a legal aid fee, barristers' clerks had to submit an invoice to taxing officers of the courts which would essentially be a negotiating ploy. In my experience, not once has a fee which my clerk has asked for been accepted by the taxing officers of the courts . . .

That means the invoices did not necessarily relate to the fee that was subsequently paid. Of course, if the invoice issued became the basis for VAT, it would be paid not on the basis of the fee subsequently taxed and paid, but on the fee on the invoice that was essentially a negotiating point. I believe that it was to get round this difficulty that the commissioners of Customs and Excise made a special concession to the Bar."

"I think"

he said — this will interest the hon. Member for Croydon, South (Sir W. Clark), who takes a great interest in these matters—

"that this is a unique concession." [*Official Report, Standing Committee B;* 23 May 1985, c. 238.]

The hon. Member for Corby said that to send the invoice is a negotiating ploy. He then implied that there is no connection between the submitted invoice and the settlement. If so, let the order be modified to provide for an adjustment, thereby securing early payment in line with the practice for other traders. The Minister, whose letter on that very point I received this morning, said:

"It would in theory be possible for a barrister to account for tax on a provisional estimated basis and make any adjustment in subsequent tax periods but this would be an undesirable adminstrative complication both for him and Customs and Excise."

How convenient an answer that is.

This is a very Socialist new clause. It extends this privilege to everybody.

In another new clause which unfortunately was not selected, although I can refer to its contents because it relates directly to the new clause that was selected, I identified over 100 groups of people who would benefit if this new clause were to be accepted. They are glassblowers, travel agents, accountants, jugglers, musicians, conjurers, impresarios, income tax advisers, composers, knife and scissor sharpeners, thatchers, tea blenders, peat cutters, bagpipe makers, turf cutters, holiday flatlet operators, hoteliers, estate agents, architects, sculptors, experimenters on embryos, paper-makers, marble converters, printers, metal bashers, wood carvers, goldsmiths, silversmiths, potters, masseurs, stonemasons, painters and decorators, enamellers, dressmakers, clothes designers, lithograph artists, fly tiers, acrobats, illustrators, farmers, smelters, picture restorers, fencers, metal polishers, soldiers, buskers, cobblers, remunerated after dinner speakers, shepherds

and goatherds, odd-job men, weavers, spinners, steel stock holders, hand glove makers, shirt makers, carders and cads, clockmakers, value added tax advisers, marine pilots, plumbers, electricians, undertakers, furniture restorers, joiners, bricklayers, plasterers, butchers, bakers, candlestick makers, professional mechanics, welders, wheelwrights, scrap metal merchants, ships' chandlers, turners, millers, glaziers, hauliers, gardeners, agriculturalists, tattooists, refuse disposal traders, deep sea fishermen—that will appeal to my hon. Friend the Member for Great Grimsby (Mr. Mitchell) — inshore fishermen, French polishers, upholsterers, totters, freelance journalists, scaffolders, boat builders, professional athletes, carpet layers, roofers, tailors, sausage makers, strippers, horse traders, horse trainers, surveyors, quantity surveyors, photographers, bailiffs, fish smokers, cheesemakers and organ grinders. All of these groups would benefit, as would many other groups. This is a very charitable and Socialist new clause because it extends a substantial privilege enjoyed by barristers to many groups of people, many of whom live in my constituency.

Other organisations have an interest in this new clause. They do not accept that it would meet their objectives, but they recognise that although it is defective the Minister of State, Treasury could table his own substitute new clause tomorrow morning, as the Finance Bill is to be debated again later that day.

The Institute of Chartered Accountants is concerned about the cash flow problems of small businesses, which must pay VAT to the authorities prior to its collection. That body said in a submission to Lord Young in response to a Government document entitled, "Burdens on Business":

"VAT is a major cash flow item in small business. The current system of VAT outputs, being based on the date of supply, can adversely affect a business which gives credit. In certain cases, the supply of a service or goods will have taken place, but no money received, before the VAT on that service must be forwarded to Customs and Excise. Such payments are often funded by a bank overdraft at considerable cost to the business. We would urge that consideration be given to a method where small businesses might elect to put VAT on a cash received/cash paid basis. Small businesses could account on a cash book system and would thus be saved the burden of keeping additional records for VAT purposes. We acknowledge that this may be one area where to realise the benefits, an element of positive discrimination towards the small business would be involved."

That, I am told, is what Government policy is all about. In a debate a week or so ago the Government talked about the need to discriminate positively in favour of small business wherever possible. This is their opportunity to do that. The institute added:

"A monthly payment plan for VAT would need to avoid the additional complexity of monthly returns and would be unattractive if it had an adverse effect on cash flow. While there may be ways of deferring payment, we see some difficulty in including the suggestion as part of a package designed to improve the lot of small businesses."

Again, the institute expressed reservations about the way in which VAT operates under present arrangements.

I accept that my new clause has a defect. That is because it has been transposed from the original 1980 regulations. That has been done to show the many small business organisations that one group of people have a concession. I do not object to that, because I regard it as a reasonable concession for them to have. Indeed, on a free vote, many hon. Members would probably vote for that concession to be extended in the way I have suggested. I do not know how much that would cost. But if the Government reject the new clause on the basis of cost, they must consider the effect that implementing it would have on the cash flow of many small businesses. They, too, need the money.

Mr. Austin Mitchell: My hon. Friend the Member for Workington (Mr. Campbell-Savours) described the origin of the new clause. It arose in Committee upstairs, where it emerged that barristers were not subject to the same requirement as small business in the case of bad debts. Where a business man is not paid, he must still pay the VAT on what he would have been paid. That does not apply to barristers.

Understandably, that caused a certain embarrassment in Committee because, after all, we have in office a Government of barristers, for barristers, by barristers. I am not sure how many barristers there are in the Cabinet turning their knowledge of the law to applied economics, but some embarrassment was caused for the Government because it is clearly wrong to have one law for barristers and one for small business men, the latter having the much more stringent requirement to pay VAT on other people's bad debts. If it is good for small businessmen to pay it, barristers should pay it too. They should be subject to exactly the same requirements, rules and regulations.

There should not be what amounts to a secret distinction. I hope that the Minister, in winding up this dynamic and hard-fought debate, will tell us about the origins of this concession and what happened before the 1980 regulations. Is it a long-standing concession to barristers? Our impression is that it is of much longer standing than the 1980 regulations. Can the Minister say why it was brought in? It emerged entirely by accident. It has not been publicised. It looks like a secret concession which has been kept from small businessmen who have been complaining for years about the iniquity of having to pay VAT on bad debts. The argument is that this concession should either be abolished or extended to everybody. There cannot be a fairer principle than that. There is no reason why one section of society should be singled out in this fashion.

The concession in the 1980 regulations applies only to barristers. Our amendment seeks to apply it to everyone. That is the simplest and most straightforward principle. We asked in Committee for an explanation of what was being done, why it was being done, who it extended to and what was the basis of it. We quickly received an explanation from the House of Commons Library which provided the basis of our amendment. It is fair to say that the explanation promised from Treasury was very slow to reach us. It is dated 9 July 1985 and it reached my hon. Friend only today. It is obviously a last-minute attempt to catch up, which puts Opposition Members at a certain disadvantage in dealing with it. Being extremely well organised, with an enormous research staff, I have not yet received the letter. Doubtless they are falling over each other to bring it to me or clambering outside the Chamber with it. It is not right that we should receive it immediately before the debate when we have to put down amendments in advance. Had it not been for the diligent efforts of the House of Commons Library we would not have been able to do so. It is curious that the explanation should be so late, because it comes from the Chief Secretary who, as a barrister, one understands, is returning to practise that profession in the forthcoming reshuffle, must have a

[Mr. Austin Mitchell]

peculiar interest in these matters. It is a concession from which he might well benefit in his occupation to which, one discovers from reading the papers, he is about to return.

The explanation in the letter is simple. It states:

"The law covering the matter is Regulation 20 of the Value Added Tax (General) Regulations 1980 . . . In practice this allows barristers (and advocates in Scotland) to account for tax on their services when they receive payment of their fees since their is no requirement on them to render VAT invoices within a specified period of the completion of their services."

This is a requirement that affects most other traders and which means that they do not get paid. Having put in the invoice they still have to pay VAT within the requisite period. The letter continues:

"This special VAT regime for barristers was justified on two main grounds. First, in a substantial proportion of their work, fees are not fixed in advance of or at completion of the service."

It is an extraordinary situation. It is common to some other occupations like oriental bazaar keepers. As the letter states:

" . . . fees are not fixed in advance of or at completion of the service but are open to negotiation after the event."

I imagine that is not correct, but this is the assertion. The letter continues:

"In particular in legal aid cases barristers' fees are neither determined nor paid before the matter has been considered by the Legal Aid Committee and a precise figure has been certified."

The question arises, what proportion of barristers' fees are legal aid cases? The overall figure may be 40 per cent. but that can vary widely among barristers, particularly as they work in different fields. In some sectors—company law, for instance—it is almost certainly a minute proportion of the income of barristers. On the basis of a justification based on the income of a minority of barristers, the concession has been extended to all barristers, against the general run of the law for small business men.

The letter continues:

"Secondly, unlike the generality of other unregistered persons, barristers are not permitted to sue their clients for non-payment of fees."

That is a decision made by the barristers themselves. They can change that easily by a simple decision of the Bar Council, and could start suing those who do not pay their fees. It is ludicrous to make a voluntary castration and then complain. The decision is in the hands of the barristers. It is therefore wrong to make it the basis for a concession such as this.

The letter goes on:

"I think that on reflection you will agree that these two factors taken together"——

they are different excuses for the same thing. They are not cumulative reasons but separate and distinct reasons—

"do put barristers in a special position. For them it is not so much insufficiency of funds being a reasonable excuse for inability to pay the tax when due—which was the matter under debate in Clause 32"——

That is a side issue. We are talking about the iniquity of the requirement that VAT shall be paid on debts—

"but an inability to know precisely how much VAT is due because of the uncertainty about the actual level of the fee. It would in theory be possible for a barrister to account for tax on a provisions estimated basis and make any adjustment in subsequent tax periods".

That is what we would like to see happen. However, the letter says:

"this would be an undesirable administrative complication both for him and Customs and Excise.

In any event the receipt of payment tax point is not unique to barristers."

We were told that this was unique to barristers but it now emerges that retailers effectively enjoy this privilege.

Mr. Campbell-Savours: The communication does not quite say that. It does not say that they enjoy the same facility under the same concession. It is that the effect may be the same, for other reasons.

Mr. Mitchell: I agree, but the letter says that retailers effectively enjoy the facility because they are paid cash on the point of purchase

"as do people supplying continuous services or services where stage payments are the norm . . . Some people also have the facility to account for tax on a cash received basis with no compulsion to issue a VAT invoice in advance of payment."

That dodges the issue, which is the distinction between barristers and other small business men, who have to pay tax on debts that they will not be repaid. Even though the money has not been paid to them, and the companies to which they have supplied the goods have gone bust, and they cannot be paid, they have to pay the VAT on the money that they are not getting. It is an unfair system, and if there is any justification for it, it should be universal. There is no justification for excusing barristers.

Therefore, we need information from the Minister. If the inability of barristers to sue for debts is to be used as justification for this concession, can we know what in what proportion of cases barristers do not get paid for their services? What is the proportion of debts owing to barristers? What does their inability to sue for debts mean as a justification for this concession?

We need to know why the concession has been extended to barristers, and not to the other small business men. We are talking, in the case of barristers, about a sizeable business. The estimates of barristers' incomes vary widely—anything between £100,000 and £250,000 a year. I discount the claims of incomes of £1 million a year. A quarter of a million pounds a year is not uncommon. This puts them in a fairly sizeable lead in the business table. We are talking about much smaller businesses with much smaller income which are having to cripple themselves to pay VAT on debts they are not receiving. The real criterion should be, as we were debating in the Committee, inability to pay. A businessman should not have to pay VAT on a bill which is not paid.

Why should there be this distinction between barristers and others? Why not accept the principle of our amendment, which is simply to extend this concession to a unique and very privileged section of society to the whole of small business?

Mr. William Powell (Corby): Unlike the hon. Member for Great Grimsby (Mr. Mitchell) I shall be brief. Little did I expect to hear the hon. Member for Workington (Mr. Campbell-Savours), who so admirably opened the debate, advocate an extension of VAT to, of all people, experimenters on embryos. Conservative Members had come to look upon the hon. Gentleman as a robust supporter of the right to life, and now to find him advocating this extension comes as a considerable shock to us.

The hon. Member was generous enough to read out the point of order which I made during our discussion in Committee and I was amazed by how lucid it sounds or how lucid he made it sound. There are few changes I want

to make, except that, having said there was "no relationship" between the invoice and the negotiating ploy made by barristers' clerks to the taxing authorities, I wish to amend that to "little relationship."

The hon. Member for Great Grimsby has few admirers in the professions and the House knows that I and a number of other hon. Members are members of the Bar. However, one of his current campaigns has drawn a favourable response in the Temple. That is the idea that barristers should be able to sue for their fees. I hope in due course, if he is able to put his case with a great deal more charm than he has managed so far, he will be able to secure that valuable change in the law. The hon. Member for Great Grimsby was wrong in law in at least one of his contentions. It is not possible for the Bar Council simply by fiat or motion to change the common law of this country. It is the common law of this country that prevents barristers from suing for their fees. It would therefore not be possible for the Bar to change the rule on its own, and because of the venerability of this part of the common law, it would be necessary for Parliament by legislation to change it.

I quite understand the argument of the hon. Member for Workington. It has a certain logic within it, but there is perhaps a better way of dealing with this. I would urge my right hon. Friend the Minister of State to consider pursuing the matter with our noble Friend the Lord Chancellor. This is a unique concession to barristers. I say to the hon. Member for Great Grimsby and the hon. Member for Workington that, though it may have been incorporated in statute in 1980, it goes back to the introduction of VAT in 1972, and this practice has always applied to barristers' fees. There was nothing innovatory about what happened in 1980: that merely continued existing practice.

I am certain that barristers who receive legal aid fees, as a substantial number of the members of the Bar do, would welcome it if the legal aid taxing authorities provided that the fees should be fixed in advance, rather than negotiated in arrears, as happens currently. The concession would not then be necessary.

I note that the hon. Member for Sedgefield (Mr. Blair) is on the Opposition Front Bench. He shares these problems with me, my hon. and learned Friend the Member for Leicestershire, North-West (Mr. Ashby) and one or two other hon. Members. Those hon. Members know that the change that I have suggested would receive a loud and warm welcome in the Temple. I urge my right hon. Friend the Minister of State to take it up with the Lord Chancellor.

11.30 pm

Mr. Blair: My hon. Friend the Member for Workington (Mr. Campbell-Savours) was kind enough to say when moving the new clause, which was obviously drafted by a supporter at the Bar, that I was the origin of the proposal.

I should say to my hon. Friend the Member for Great Grimsby (Mr. Mitchell), who criticised barristers, that I made an open avowal of the privilege without its being sought. My hon. Friend the Member for Workington said that that showed an admirable commitment to objectivity. That is probably excellent for one's reputation as a parliamentarian but fatal to one's prospects in a political career.

There are two problems. The first is whether there should be discrimination in dealings between some traders —the Bar is one such trade — and others. The less discrimination there is the better. It should be pointed out that, because people make purchases from retailers and pay at the time, the retailer's liability to pay VAT arises when the payment is made. The privilege exists for a variety of transactions, but that arises of necessity and because of the type of business involved.

Mr. Austin Mitchell: The privilege is pleaded on the basis of two justifications that apply only to the law. The situation may be the same for retailers, but that is only because they exchange cash at the point of sale and there is no procedure for invoicing.

Mr. Blair: That is exactly what I said. There are circumstances other than those applying to the Bar where VAT liability arises at the same time as payment is made to a trader.

The more important problem, which is particularly acute for small traders, is that businesses are liable for VAT when they have issued an invoice, even though they have not received payment from the customer. The small builders' federation has pointed out that solvency problems can arise for small companies that have to meet VAT liabilities when they have not received payment from customers. That is the most important issue in the debate. If the Pavlovian reaction to barristers has sparked off the debate, it has been worth while.

The Government should look carefully at the difficulties facing small traders who run into difficulty over VAT payments. A small builder may do work costing £15,000 or £20,000 and the VAT liability could be quite large. Cash flow problems are fairly common when traders are involved in such transactions.

Perhaps a better solution would be to give more discretion to the commissioners to allow an easing of the burden of VAT payments when difficulties arise from a default by a customer. Subject to the amendment being selected, we shall debate the bad debt provisions, which will allow an insufficiency of funds arising directly from default by a customer to be considered when the penalty is being decided.

The Government should study the matter. Many traders find it hard to see why they should have to pay money, which they are supposed to pass on from their customers, when they have not received that money. The Government would do small businesses a service and justice, if they found better ways of ensuring that both the tax was properly collected and the interests of small businesses were protected.

Mr. Hayhoe: I should begin by declaring a non-interest in that I am not a lawyer, but an engineer. My speech may well be better for that.

The new clause would allow all traders to account for VAT on a cash-received basis so that everyone would receive the treatment that barristers already enjoy under regulation 20 of the Value Added Tax (General) Regulations 1980, which is statutory instrument 1536/80. Although barristers are enjoying VAT under that statutory provision, I confirm that they have always enjoyed those arrangements under earlier statutory instruments, as my hon. Friend the Member for Corby (Mr. Powell) pointed out. We should also note that during the Labour Government the same writ ran.

The hon. Member for Workington (Mr. Campbell-Savours) also seeks to eliminate any injustice for traders

[Mr. Hayhoe]

in having to account for tax which they have not received and may never receive from their customers, as the hon. Member for Sedgefield (Mr. Blair) pointed out. At least some amelioration is contained in clause 32, where important changes have been made regarding bad debts and where links are made with insolvency legislation. Moreover, if amendment No. 175 is selected, it will allow a more precise debate on that aspect.

As the hon. Member for Workington acknowledged, his new clause is technically deficient. It would, radically alter the present arrangements, in which the tax invoice is the essential standard under which VAT is charged and accounted for. However, the tax invoice is also important for the registered customer because until he holds the supplier's tax invoice, he cannot deduct or reclaim the tax that he is being charged. The House should note that our debate has been about paying the tax, while no consideration has been given to the important matter of reclaiming or setting against the tax to be paid, the input tax that has already been paid by the individual concerned.

The scheme proposed in the clause would devalue the tax invoice because businesses would want to defer their liability to account for output tax, until they collected the tax from their customers. Therefore, they would not issue tax invoices until they received payment. There would be a corresponding disadvantage for the customer, especially one receiving regular repayments of tax in monthly tax periods, because at present he can deduct or reclaim VAT charged as input tax before he has paid for the supply, provided he holds a valid tax invoice. Under the new clause the customer would not be likely to receive his tax invoice until after he had paid his supplier. There is an up side and a down side, as so often applies to changes in tax regimes.

The suggested scheme would have a profound effect upon the cash flow of most businesses. There would be some gainers and some losers. Retailers and repayment traders — that is, exporters or businessmen such as farmers trading mainly in zero-rated goods—would be substantial losers. Retailers would lose because their input tax deduction would be deferred until after they had paid their suppliers, but they would gain nothing on their output tax because they already account for tax on the basis of daily cash receipts. Repayment traders would similarly lose on the input tax deferment, but have no corresponding output tax deferment because no tax is chargeable on most of their sales.

I hope that I have said enough to explain that considerable complexities are involved in making changes along the lines suggested. This is not the time for me to try to deal with matters other than those before us. We have to consider many new clauses. It is fascinating to listen to the contributions to the debate, but it has gone wide of the subject.

Dr. Marek: Can the Minister say anything about the merits of at least bringing in line the special concessions to barristers? What can be said about equality of treatment in terms of fiscal neutrality?

Mr. Hayhoe: I have tried to explain the difficulties for the trading community if we adopted the sentiments behind the new clause. I have not argued the case on the basis of the defective technicalities.

The question of barristers is an aside in relation to the new clause. I have only added to the observations made by the Chief Secretary in the letter to which reference has been made. If necessary I shall arrange for a copy of that letter to be put in the Library.

I hope that the hon. Member for Workington will not press his new clause to a Division. He has ventilated the subject and my hon. Friend the Member for Corby has been given the opportunity to make an important suggestion to the Lord Chancellor which I shall pass on.

Mr. Campbell-Savours: The Minister's answer was complex and I confess that after about five minutes I could not grasp what he was saying and lost the thrust of his argument. I am sure that other hon. Members feel the same.

The Minister might well have made an important statement. I should like to consider it tomorrow and perhaps raise the matter later after taking advice. We have raised an important issue. Many people are interested in the concession which barristers enjoy. We should like it to be extended to others. Our new clause is defective and so I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 25

RELIEF FOR TECHNICAL EDUCATION AND DEVELOPMENT

'Insert a new section in the Taxes Act 1970, No. 192 (A):

"(1) Subject to the following provisions of this section, payments made in any year of assessment by an individual out of the emoluments of an office or employment may be deducted in assessing those emoluments for that year if made for the purposes of subsection (2) below.

The payments must be made in exchange for technical education which is related to any services offered by members of any body of persons approved for the purposes of section 192.

(3) The technical education is related to the employer's trade, profession or vocation if it is either

(i) in the case of a student, of a type whose content will enable the student to take examinations leading to technical qualifications, or

(ii) in the case of a member, or a type qualifying towards the annual continuing professional development requirement of the body concerned.

(4) The technical education must:

(i) be of assistance in performing the duties of all employment with that trade, profession or vocation, and

(ii) if it had been incurred by the employer, have been allowable in computing the profits of his trade, profession or vocation under section 133 of the Taxes Act 1970".'.—*[Sir W. Clark.]*

Brought up, and read the First time.

Sir William Clark: I beg to move, That the clause be read a Second time.

New clause 25 concerns technical education. There is great emphasis on training these days and many people take correspondence courses. It is essential, if at a polytechnic or university, to attend classes, but it is not always possible to attend classes when working. The flexibility afforded by being able to study at home is therefore a great thing.

11.45 pm

My suggestion is that if a person pays tuition fees for a course related to his trade or industry, such expenditure should be allowed for tax purposes, just as it would be if it were paid by the employer. The employee would pay 70

per cent. of the fees and the Exchequer would pay 30 per cent. I estimate that the total cost of fees would be £2 million. Not everyone would claim relief as many people who attend such courses are not in work and would therefore not be covered. I therefore suggest that the scheme would cost no more than £600,000.

It is essential that there be as much training and retraining as possible. The Government ought to do everything to assist, and my proposed concession would be cheaper than setting up colleges or a state scheme which means that the taxpayer has to foot 100 per cent. of the bill. It is essential to expand technical education and I trust that my right hon. Friend will consider the new clause sympathetically.

Dr. Marek: I favour the aims of new clause 25, but I am a little worried, as some courses or conferences are not all that they seem to be. Exorbitant fees are charged and yet the conferences do not really benefit those who attend them, at least not in terms of education.

I hope that the hon. Member for Croydon, South (Sir W. Clark) can assure me that such courses will be excluded. If they are, and the new clause concerns courses that people work hard on, I welcome it. There might be difficulty with the Treasury finding the money to give relief, and pressure for relief in other areas. I hope that there will not be a loophole.

Sir William Clark: The course must comply with section 192 of the Taxes Act 1970. The expenditure must be of a type which, if incurred by the employer, would be allowed for tax purposes. The hon. Gentleman's reservation is misplaced. We do not want any loopholes. It must be genuine technical education. It is not beyond the wit of the Treasury to rephrase the new clause if it is defective.

Dr. Marek: That was not a reservation on my part. I was simply asking a question because I did not know the answer. I accept the assurances from the hon. Member for Croydon, South and I await the Minister's comments.

Mr. Maxton: I had some sympathy with the new clause when I first looked at it, but I quickly lost that feeling of sympathy when the hon. Member for Croydon, South (Sir W. Clark) said that the proposals would be a cheaper way to provide further qualifications than state-funded courses.

The hon. Gentleman suggested that those who were better off and who could afford to pay fees of £600 would be able to do these courses and gain tax relief on the expenditure. Many other people would like to improve their qualifications, their lifestyles and their skills, but they do not have adequate income to allow them to pay those fees. The state ought to provide free courses for those people.

Open university courses are divided between those deemed to be technical and those which are not. Some courses are funded by employers, but these are not always the technical courses. What is the tax position of the non-technical courses?

Teachers take part in such non-technical courses and represent a large group within the Open university. Many teachers with diploma qualifications to teach in primary or secondary schools in England or Wales — primary schools only in Scotland—wish to obtain a degree from the Open university. Their local authorities agree that it would be right, good and proper that they should be graduate teachers rather than diploma teachers and are prepared to pay their fees to allow them to obtain that qualification. They even pay for the teachers to go on the summer courses and provide a daily allowance.

Can the employer claim assistance against tax if the employer is a local authority? If the local authority will not pay the fees, will a teacher who tries to upgrade his qualifications from his own resources be able to reclaim tax on the fees? Does the new clause cover that? As the Minister is not responding, I presume that he does not know the answers to my questions.

My main objection to the new clause is that technical training and people's ability to change their skills should not have to be paid for by the individual. In a society that is changing as dramatically as ours, we need people to change and to acquire new skills.

Dr. Marek: I agree entirely that the state should provide an education covering all aspects of life in the community, but there are certain types of specialist education from which employers would like their employees to benefit. Would there not be some advantage in encouraging employers to allow their employees to acquire that specialist education? I can imagine circumstances in which that might be useful, but I have not studied the new clause in depth and am certainly open to persuasion by my hon. Friend.

Mr. Maxton: The answer is simple. The new clause does not cover that point because, as the hon. Member for Croydon, South has said, it is already covered in law. If an employer pays the fees for an employee's training, that expenditure can already be set against tax. My hon. Friend the Member for Wrexham (Dr. Marek) is quite right. If an employer wishes to have an employee trained in a specific skill which will benefit the employer that training should probably be paid for by the employer, but if people wish to improve their own skills and if society in general rather than an individual employer requires people to change their skills possibly two or three times in a lifetime, society and the state should provide that opportunity and the individual should not be forced to find the fees out of his own pocket. I hope, therefore, that the Minister will not accept the new clause.

Mr. Hayhoe: My hon. Friend the Member for Croydon, South (Sir W. Clark) will acknowledge that this is really a re-run of a debate which took place on the 1982 Finance Bill. My right hon. Friend the present Secretary of State for Transport responded to that debate and it would not be useful for me to take up the time of the House in repeating the arguments.

The purpose of the new clause is to give tax relief to employees who incur expenses in obtaining technical qualifications to further their careers. The whole House recognises the importance of technical education. The question is whether the proposed tax relief is the best way to encourage it. In the Government's judgment, directing resources towards improving and extending the youth training scheme, supporting the Open tech in a variety of other ways is a better targeting of resources towards the improvement of technical education.

As my hon. Friend the Member for Croydon, South acknowledged both in moving the new clause and in responding to an intervention, the new clause is technically defective. Having participated in Finance Bill

[Mr. Hayhoe]

debates for some time from different parts of the House, I have noticed that the person responding from the Dispatch Box nearly always says that he has been advised that the proposal is technically defective, especially when it is a complicated new clause.

There is a great deal of sympathy with my hon. Friend's intention of seeking to achieve more technical education. As he will know from previous debates and from his correspondence with my right hon. Friend the Chancellor, such dissent as there may be relates to the technique whereby that aim can best be achieved. I certainly undertake to give careful consideration to the points that my hon. Friend has raised and I hope that he will not press the new clause at this stage.

Dr. McDonald: The Opposition sympathise with the aims expressed by the hon. Member for Croydon, South (Sir W. Clark). The new clause relates to a narrow range of people who are in work and wish to bring their technical skills up to date or to acquire new technical skills and we sympathise with the hon. Gentleman's view that every effort should be made to ensure that that happens.

The Minister replied that in the Government's view tax relief was not the right way to achieve that aim but that the Government wished to make more opportunities available for such education. I shall not transgress into a debate on the education system as that would take us too far from the new clause, but the Government need to do a great deal more to make technical education available. Unfortunately — I think that this is what the hon. Member for Croydon, South has in mind — the Government have made it much more expensive for an employee to improve his or her skills or to acquire new skills in this area. Open University fees have risen sharply since 1979, as have fees for all kinds of courses, including adult education courses at local polytechnics and colleges of further education. In all those areas the cost has risen substantially. The individual might be seeking such education while remaining in work.

That is why we understand some of the reasons why the hon. Member for Croydon, South brought forward the new clause. We sympathise with his aims. The proper method should be to widen the availability of technical education at all stages of life and make it much more cheaply available, so that individuals who are, for example, seeking such training through the Open University, do not find the costs the crippling burden that they now find them.

12 midnight

Sir William Clark: I am grateful to my right hon. Friend the Minister of State for what he said. In view of the fact that he said that he would give the matter sympathetic consideration in future, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New clause 27

WITHDRAWAL OF RIGHT OF CERTAIN NON-RESIDENT COMPANIES TO PAYMENT OF TAX-CREDITS

'(1) This section applies to a company which has, or is an associated company of a company which has, a qualifying presence in a unitary state and, at any time when it or its associated company has such a qualifying presence, is entitled by virtue of arrangements having effect under section 497(1) of the Taxes Act (relief by agreement with other countries) to a tax credit under section 86 of the Finance Act 1972 (tax credit for certain recipients of qualifying distributions) in respect of qualifying distributions made to it by companies which are resident in the United Kingdom which is equal to one half of the tax credit to which an individual resident in the United Kingdom would be entitled in respect of such distributions.

(2) Schedule *[Supplementary provisions as to withdrawal of tax credits]* to this Act has effect to supplement the provisions of this section.

(3) Notwithstanding anything to the countrary in the arrangements referred to above and subject to paragraph 2 of the said Schedule, a company to which this section applies shall not be entitled to claim under subsection (4) of the said section 86 to have the tax credit referred to in subsection (1) above set against the income tax chargeable on its income for the year of assessment in which the distribution is made or, where the credit exceeds that income tax, to have the excess paid to it.

(4) A company shall be treated as having a qualifying presence in a unitary state if it is a member of a group and, in any period for which members of the group make up their accounts ending after the relevant date, 7½ per cent. or more in value of the property, payroll or sales of such members situated in, attributable to or derived from the territory outside the United Kingdom, of which that state is a province, state or other part, are situated in, attributable to or derived from that state.

(5) For the purposes of subsection (4) above—

(a) 7½ per cent. or more in value of such property, payroll or sales as are referred to in that subsection shall be treated as being situated in, attributable to or derived from the state there referred to, unless, on making any claim under sub-section (4) of the said section 86, the claimant proves otherwise to the satisfaction of the Board, and

(b) the value of the property, payroll or sales of a company shall be taken to be the value as shown in its accounts for the period in question and for this purpose the value of any property consisting of an interest in another member of the group or of any sales made to another such member shall be disregarded.

(6) In this section "the relevant date" means the date on which this section comes into force or, if earlier, the earliest date on which a distribution could have been made in relation to which the provisions of this section are applied by an order made under this section.

(7) This section shall come into force on such date as the Treasury may by order made by statutory instrument appoint and the Treasury may in addition by order made by statutory instrument—

(a) prescribe that the provisions of this section shall apply in relation to distributions made on or after a date before that on which the order bringing them into force is made, being a date not earlier than 1st April 1985,

(b) prescribe those provinces, states or other parts of a territory outside the United Kingdom which are to be treated as unitary states for the purposes of this section, and

(c) prescribe that for subsections (4) and (5) of this section (or for those sub-sections as they have effect at any time) there shall be substituted either the following provisions—

"(4) A company shall be treated as having a qualifying presence in a unitary state if it is subject to tax in such a state for any period ending after the relevant date for which that state charges tax.

(5) For the purposes of subsection (4) above a company shall be regarded as subject to tax in a unitary state if it is liable there to a tax charged on

its income or profits by whatever name called and shall be treated as so charged unless it proves otherwise to the satisfaction of the Board.",

or the following provisions—

"(4) A company shall be treated as having a qualifying presence in a unitary state if it has its principal place of business in such a state at any time after the relevant date.

(5) For the purposes of subsection (4) above

(a) a company shall be treated as having its principal place of business in a unitary state unless it proves otherwise to the satisfaction of the Board, and

(b) the principal place of business of a company shall include both the place where the central management and control of the company is exercised and the place where the immediate day-to-day management of the company as a whole is exercised."

(8) No order shall be made under this section unless a draft if it has been laid before and approved by a resolution of the Commons House of Parliament.".—*[Mr. Grylls.]*

Brought up, and read the First time.

Mr. Michael Grylls (Surrey, North-West): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Paul Dean): With this it will be convenient to take amendment No. 57—new schedule——

'Supplementary Provisions as to Withdrawal of Tax Credits

'Recovery of tax credits incorrectly paid

1.—(1) Where the provision of section *[Withdrawal of right of certain non-resident companies to payment of tax credits]* of this Act apply so as to withdraw the entitlement of a company to claim to have a tax credit in respect of a qualifying distribution set against the income tax chargeable on its income and to have the excess of the credit over that income tax paid to it and the company (in this paragraph referred to as "the recipient company") has either had that excess paid to it, or has received an additional amount in accordance with arrangements made under Regulation 2(1) of the Double Taxation Relief (Taxes on Income) (General) (Dividend) Regulations 1973, it shall be liable to a fine for the violation of the provisions of section *[Withdrawal of right of certain non-resident companies to payment of tax credits]* of this Act equal to twice the amount of the excess or additional amount as the case may be and such fine (in this section referred to as "the recoverable amount") shall be payable to the Board and treated as having become payable at the date when the excess or additional amount was paid to the recipient company and may be recovered in accordance with sub-paragraphs (2) to (5) below.

(2) The recoverable amount may be assessed and recovered as if it were unpaid tax and section 30 of the Taxes Management Act 1970 (recovery of overpayment of tax, etc) shall apply accordingly.

(3) Any amount which may be assessed and recovered as if it were unpaid tax by virtue of this paragraph shall carry interest at the rate of 9 per cent. per annum from the date when it was payable in accordance with this paragraph until the date it is paid and it is hereby declared that this paragraph applies to a recoverable amount which is paid without the making of an assessment (but is paid after it is due) and that where the recoverable amount is charged by any assessment (whether or not any part of it has been paid when the assessment is made), this paragraph applies in relation to interest running before, as well as after, the making of the assessment.

(4) Where the recoverable amount is not paid by the recipient company within six months from the date on which it became payable—

(a) the recoverable amount may at any time within six years from the date on which it became payable be assessed and recovered as if it were unpaid tax due from any person who is or was at any time prior to the expiration of the said six year period connected with the recipient company, or would have been connected on the assumption that all the facts and circumstances relating to the recipient company at the time the excess or additional amount as the case may be was paid continued to apply for six years thereafter, and section 30 of the Taxes Management Act 1970 shall apply accordingly, and

(b) as respects its accounting periods beginning with that in which the excess or additional amount referred to in sub-paragraph (1) above was paid and ending with that following that in which the recoverable amount is paid in accordance with the provisions of this paragraph, the company which made the qualifying distribution in respect of which the recipient company received the excess or additional amount shall not be entitled to set any advance corportion tax paid by it against its liability to corporation tax for such periods in accordance with section 85 of the Finance Act 1972 (payments of advance corporation tax to be set against company's liability to corporation tax on its income) nor to surrender the benefit of the whole or any part of any amount of advance corporation tax to a subsidiary in accordance with section 92 of that Act *(setting of company's surplus advance corporation tax against subsidiary's liability)* in such periods.

(5) Where a recoverable amount is assessed and recovered from a person connected with the recipient company in accordance with sub-paragraph (4)*(a)* above, that person shall be liable for the interest payable in accordance with sub-paragraph (3) above and, until the interest is so paid, sub-paragraph (4)*(b)* above shall apply as if the words "the interest due in accordance with sub-paragraph (3) above is paid" were substituted for the words "the recoverable amount is paid in accordance with the provisions of this paragraph".

(6) Interest payable under this paragraph shall be paid without any deduction of income tax and shall not be allowed as a deduction in computing any income, profits or losses for any tax purposes.

(7) Where under the law in force in a territory outside the United Kingdom interest is payable subject to a deduction in respect of taxation and such deduction applies to an amount of interest paid in accordance with sub-paragraph (3) above, the reference to the rate of 9 per cent. per annum in that sub-paragraph shall be deemed to be a reference to such rate of interest as after such deduction shall be equal to the rate of 9 per cent. per annum.

Claims to payment of tax credits following remedial legislation in unitary states

2.—(1) This paragraph has effect where a company to which section *[Withdrawal of right of certain non-resident companies to payment of tax credits]* applies has a qualifying presence in a province, state or other part of a territory outside the United Kingdom which has been prescribed as a unitary state for the purposes of that section and, at the time when a qualifying distribution is made to that company by a company which is resident in the United Kingdom, that state has enacted legislation the effect of which is that, as from a future date which shall not be later than 31st December 1986, it will cease to be a unitary state within the meaning of the definition in paragraph 5(1) below, notwithstanding that it remains prescribed as such for the purposes of that section.

(2) In the circumstances described in sub-paragraph (1) above the company in receipt of the qualifying distribution shall be entitled on or after the effective date to claim to have the tax credit to which it is entitled in respect of the distribution set against its liability to income tax and to have the excess (if any) of the credit over that liability paid to it; but, if payment of the excess or of the additional amount referred to in Regulation 2(1) of the Double Taxation Relief (Taxes on Income) (General) (Dividend) Regulations 1973 is made before the effective date, the provisions of paragraph 1 above shall apply in relation to that payment regardless of the enactment of the legislation referred to in sub-paragraph (1) above.

(3) For the purposes of this paragraph the effective date shall be deemed to be the date (not to be later than 31st December 1986) on which the legislation referred to in sub-paragraph (1) above actually becomes effective in the province, state or other part of the territory outside the United Kingdom which has been prescribed as a unitary state for the purposes of section

[Mr. Deputy Speaker]

[Withdrawal of right of certain non-resident companies to payment of tax credits], irrespective of the date, if any, specified in that legislation.

Avoidance of provision withdrawing tax credits

3.—(1) In any case where arrangements are made, whether before or after section *[Withdrawal of right of certain non-resident companies to payment of tax credits]* comes into force, as a result of which interest is paid or a discount is allowed by or through a person who is resident in the United Kingdom, or carries on business in the United Kingdom through a branch or agency, and it is reasonable to suppose that, if such payment or allowance had not been made, a qualifying distribution would have been made by the person by or through whom the payment or allowance is made, or by another company resident in the United Kingdom, to a company which has, or is an associated company of a company which has, a qualifying presence in a unitary state at the time when the payment or allowance is made, then—

(a) no person who receives that payment or allowance shall be entitled to relief from income tax or corporation tax thereon by virtue or arrangements having effect under section 497(1) of the Taxes Act, and

(b) the payment or allowance shall not be allowed as a deduction in computing any income, profits or losses for any tax purposes.

(2) Without prejudice to the generality of sub-paragraph (1) above, where a payment or allowance is not of itself a payment or allowance to which sub-paragraph (1) above applies, but is made in conjunction with other payments of whatever nature and taken together with those payments has substantially similar effect to a distribution, then, for the purposes of sub-paragraph (1) above, it shall be treated as a payment of allowance within that sub-paragraph.

(3) Any company which has received such a payment of interest as is referred to in sub-paragraph (1) above, from which income tax has not been deducted by the person making the payment, and has a qualifying presence in a unitary state at the time of the payment, shall be treated for the purposes of paragraph 1 above as a company from which the entitlement to claim payment of the excess of a tax credit over the income tax chargeable on its income has been withdrawn by section *[Withdrawal of right of certain non-resident companies to payment of tax credits]* (1) and which has had paid to to it such an excess in an amount equal to the income tax which should have been deducted from the payment of interest.

Power to inspect documents of non-resident companies

4.—(1) Where it appears to the Board that the provisions of section *[Withdrawal of right of certain non-resident companies to payment of tax credits]* and this Schedule may apply to a company resident outside the United Kingdom (in this paragraph referred to as a "foreign parent"), the Board may, by notice in writing given to the foreign parent or any associated company of that foreign parent require that company within such time (not being less than thirty days) as may be specified in the notice to make available for inspection any books, accounts, or other documents or records whatsoever of that company where in the opinion of the Board it is proper that they should inspect such documents for the purposes of ascertaining whether the said provisions apply to the foreign parent or such associated company notwithstanding that in the opinion of the person to whom the notice is given those provisions do not apply to that company or any associated company of that company.

(2) In the Table to section 98 of the Taxes Management Act 1970 *(penalties)* at the end of the first column there shall be added —

"Paragraph 4 of Schedule *[Supplementary provisions as to withdrawal of tax credits]* to the Finance Act 1985".

Meaning of "unitary state", etc.

5.—(1) In this Schedule and section *[Withdrawal of right of certain non-resident companies to payment of tax credits]* of this Act—

"group" and "member of a group" shall be construed in accordance with section 272(1) of the Taxes Act (definition of groups of companies) with the omission of the restriction in paragraph *(a)* of that subsection and the substitution of the words "51 per cent." for the words "75 per cent." wherever they occur,

"qualifying distribution" has the same meaning as in Part V of the Finance Act 1972 (taxation of companies and company distributions),

"unitary state" means a province, state or other part of a territory outside the United Kingdom with the government of which the arrangements referred to in subsection (1) of section *[Withdrawal of right of certain non-resident companies to payment of tax credits]* have been made which, in taxing the income or profits of companies from sources within that province, state or other part, takes into account, or is entitled to take into account, income, receipts, deductions, outgoings or assets of such companies, or of associated companies of such companies, arising, expended or situated as the case may be outside that territory and which has been prescribed under subsection (7) of that section as a unitary state for the purposes of that section; but no such province, state or other part shall be so prescribed which only takes into account such income, receipts, deductions, outgoings or assets—

(a) if the associated company was incorporated under the law of the territory, or

(b) for the purpose of granting relief in taxing dividends received by companies.

(2) For the purposes of this Schedule and section *[Withdrawal of right of certain non-resident companies to payment of tax credits]* of this Act—

(a) section 533 of the Taxes Act (connected persons) applies; and

(b) section 302 of the Taxes Act (meaning of "associated company" and "control") applies with the substitution of the words "six years" for "one year" in subsection (1) of that section.'.

Mr. Grylls: The clause stands in my name and those of 100 hon. Members in all parts of the House.

No doubt to some observers it will appear ironic that an early-day motion calling for action to change the corporate tax system in California, Alaska, Idaho, Montana, New Hampshire and north Dakota has attracted the support of 250 hon. Members on both sides of the House over the past few months. Such is not normally the stuff of politics here in Westminster. Although it may appear ironic, the reality is—I think that the House will agree with this — that the universally deplored, worldwide reporting system applied in those states to foreign multinationals is a potential time bomb ticking away under international trade and investment.

I hope that the new clause, which I commend to the House, will succeed in persuading United States companies to press and lobby hard their state governments and federal Government to remove that time bomb once and for all and clear up the issue of unitary tax. It has been a tremendous encouragement to me, in the preparation that I and many others have done for the new clause, to have the support of all parties in the matter, particularly because it affects trade and investment. With the high unemployment throughout the world it is a crazy time to have taxation that threatens jobs and investment.

It is important for the House to realise that worldwide the United Kingdom is second only to the United States in the amount of its overseas investments. Within the United States, British companies invest more than any other foreign multinational. Therefore, many British companies with the United States operations are at risk from the state corporate tax system. This is the important point that the House will want to grasp. The system reaches out beyond the shores of the United States to include the worldwide financial operations of a United

Kingdom multinational group, although that has no conceivable relevance to the group's activities in the United States, and in that state in the United States.

That reporting system makes a nightmare of business planning and investment by multinationals, by creating uncertainty as to the tax due in a state such as California. I ask the House to consider the situation in a London headquarters company with a subsidiary in California, which is therefore subject to Californian unitary tax. That subsidiary in California cannot kno its tax liability without supplying the state authorities with such details as payroll, property and equipment in every other country throughout the world in which that British multinational operates.

The House may be interested to have an example, which brings the matter home. It is the case, which has been well written up, of the subsidiary of the EMI group, Capitol Records. It is in California, and now part of the Thorn EMI group. The Capitol Records subsidiary was asked to provide information on a worldwide reporting basis. It sent that request from the Californian state authorities to its headquarters in London, which wrote to the Californian state authorities saying, "We would love to give you this information, and would normally be happy to do so, but we happen to be a defence contractor for Her Majesty's Government, and we have signed the Official Secrets Act. If we give you this information, we shall be put in prison, so we shall not do it, even for the Californian tax authorities." The company then suffered a 25 per cent. penalty clause for non-disclosure of information from London and other parts of the world. That illustrates the unpredictability and irrationality of such taxation.

The sheer unpredictability and illogicality of such a method of tax assessment threatens investment and trade. Above all, it strikes a blow at the internationally accepted principles of taxation by creating tax liabilities in a state which bear no direct relation to profits earned in that state. For the purposes of state taxation, the method can turn a company's loss in a state into a profit by bringing in the worldwide figures. Perhaps more seriously, it burdens companies with the unproductive work of creating and producing information and translating it into dollars from the foreign currencies in which those subsidiary companies operate. That is not sensible. An example of this is that the worldwide accounts of companies must be recomputed in dollar terms and must conform to American accounting standards. That is especially offensive when a state—a political subdivision of a nation—attempts to carry out what is, in effect, foreign policy. I am sure that those who created the constitution of the United States did not intend that the individual states should carry out foreign policy by asking for information in that way.

To draw an analogy closer to home, it is as though Lambeth borough council asked for worldwide information from an American company whose United Kingdom subsidiary was based in Lambeth. That would be an impertinence and an abuse of the powers of Lambeth borough council. I am sure that it would do no such thing. That is comparable with what is happening in some American states. It runs counter to all the work that has been done. Through double taxation treaties, the United States and Britain have worked for many years to eliminate barriers to trade and investment, which were created, understandably, by the variety of tax systems in the world. The arms-length system of taxation embodied in our treaty network and that of the United States is the international standard and the custom of nations. It is recognised by the OECD and by the United Nations. The use of the worldwide reporting system violates that standard.

I should run through what has happened since the United Kingdom-United States treaty was being negotiated in 1975, because the history of what happened is the basis of new clause 27. When the current treaty was being negotiated in 1975, it contained a clause—clause 9(4)—which would effectively have barred unitary tax. That would have been fine. Unfortunately, although clause 9(4) was passed by a majority in the Senate, it was not passed by the necessary two thirds majority, and it failed. By this American action, Britain was placed in the position of either rejecting the entire treaty — some would describe that as throwing out the baby with the bathwater —or of accepting it without clause 9(4). The House, rightly, accepted the treaty, subject to assurances from Ministers that they would press for an early resolution of the issue, backed by assurances from the United States that it would use its best endeavours to secure an early solution.

On 18 February 1980, the then Minister of State—my right hon. and learned Friend the present Chief Secretary—said:

"To those who remain concerned about the unitary question, I say that there is no disposition on the part of the Government to let the issue die. If the House approves the convention and if it is ratified thereafter, we shall be prepared to place on record, for all to see, our reservations on the unitary system. The Administration of the United States were left in no doubt by what I told them . . . We do not propose to bury the issue if the House gives its approval to the convention and the three protocols." —[*Official Report*, 18 February 1980; Vol. 979, c. 179-99.]

When ratification took place on 25 March 1980 — entering into force on 25 April 1980 — the British Government expressed to the United States Administration strong disapproval of the worldwide combined reporting system. In a note to the United States Administration, the Government said:

"It must be emphasised however that the acceptance of the Senate reservation"—

taking out clause 9(4)—

"in no way implies approval of the unitary basis and that it is the urgent request of Her Majesty's Government for the reasons given above that the Government of the United States should use its best endeavours to eliminate the international application of the unitary basis of taxation".

United States' companies received substantial tax concessions as a result of the treaty in return for the inclusion of clause 9(4) prohibiting the use of unitary tax. Clause 9(4) was to be, in the words of the then Senator Morgan, who participated in that debate in the Senate, "a concession for a concession".

I believe that in 1980 the House would not have ratified the treaty without United States' assurances that the unitary tax problem would be solved.

Since 1980 there have been various attempts in the United States Congress, as my colleagues who visit the United States regularly will know, to put through a Bill outlawing unitary tax. It is odd that, despite general antipathy in Washington towards this unfair system, so far none of these Bills has succeeded in being passed. It seems that, whenever a Bill has approached the winning post, another general election has been called, and the whole process has had to start again. I suppose that we have the same problem here. During this period the United Kingdom Government and many other Governments have pressed vigorously for an end to this perverse system.

I should like to pay a warm tribute to the staff of the British embassy in Washington who, over these five or

[Mr. Grylls]

seven years, have worked hard to resolve this issue. I pay particular tribute to the Economic Secretary in the embassy, Mr. Harry Walsh, who has just returned to London. He had become one of the great experts there. He slaved away on this issue and worked tirelessly to produce a solution. I should like to thank the British consulates at the state level which have negotiated and done what they can. I pay tribute also to Treasury Ministers and their officials in the United Kingdom, in the Foreign and Commonwealth Office and especially in the Inland Revenue, who have borne the burden of this continuing problem.

Two years ago, on 12 July 1983, my right hon. Friend the Chancellor in a letter to the then Treasury Secretary, Donald Regan, said that he was

"keen for the matter to be resolved . . . before harm is done between our two countries."

I emphasise that quotation, because hon. Members and all the British people do not want in any way to damage our relations with our strongest and, perhaps, favourite ally. I think that my right hon. Friend the Chancellor had that point very much in mind. However, the problem has not been resolved.

In September 1983 President Reagan set up a working group to look into the problem. The Prime Minister, who was visiting Washington at that time, chivvied the President to resolve the issue and, with commendable farsightedness, warned the Administration:

"We might be under very severe pressure to take retaliatory action."

Two years later we find ourselves having to do just that.

12.15 am

I pay tribute also to the efforts of my right hon. Friend the Secretary of State for Trade and Industry. He lobbied for industry during his recent visit to California and I know that that was helpful.

By the autumn of 1983, despite all the efforts that had been made, three years had passed and the promises of 1980, which I have quoted, to resolve the issue had not been met. Frustration and impatience were being expressed in Westminster and British firms were becoming increasingly caught up in a tax nightmare. I hope that the House will feel strongly that it is our duty and that of the Government to protect the interests of individuals travelling abroad and those of companies that operate abroad.

In April 1984, seven months later, there were no signs of progress from the United States working group. I went to Washington to announce details of a retaliatory clause that we had tabled last year. The clause had the support of many of my hon. Friends. Unfortunately, and I believe mistakenly, the Government refused to back the clause and to have a debate last summer, almost precisely at this time of year. They claimed that it was premature to retaliate.

There is no doubt that the tabling of the clause in 1984 alerted United States opinion to the real possibility of legislation being enacted in Westminster to retaliate against them. As a result of publishing the clause last year, there was evidence of fresh activity in the United States against the continuation of unitary tax. There were clear signs of United States companies working hard to get rid of it.

When the clause was not inserted in the Finance Bill 1984, it seemed that United States corporations saw that the threat of retaliatory action had receded. Later in 1984, the working group reported. It recommended what it described as a "water's edge" solution. At that time the United States Treasury Secretary wrote to the President as follows:

"If there are not sufficient signs of appreciable progress by the States in this area by 31st July next year whether by legislation of administrative action, I will recommend to you that the Administration propose federal legislation that would give effect to a water's edge limitation patterned after that in the Chairman's Report."

That was the result of the working group's activity.

I pay tribute to the states that have repealed their unitary tax provisions since then — including Oregon, Florida and Colorado—but it is important that during the debate the United States Administration is left in no doubt that the House does not regard the action by those states as being enough to constitute "appreciable progress" in removing unitary tax and that it does not constitute a real solution to the problem. It is not our job to pick off states one by one.

The problem will not be met until California and the other five unitary states have passed satisfactory legislation, or until the federal Administration has produced a solution that will stand for the whole United States. In many ways a federal solution would be the best one.

Over the past year, attempts — unfortunately all in vain so far—have been made in Sacramento, the state capital of California—to progress legislation on unitary tax. I am grateful to the governor of California for the personal efforts that he has made to seek a solution to the unitary tax problem. Only two weeks ago I went to California to see what progress was being made and, perhaps more importantly, to express the continuing anger and frustration of many in the House and in British industry that so little progress had been made.

United States business men whom I met, and Japanese business men, all told me that they wanted a solution to the problem. That view is shared by our European Community partners, especially the Netherlands, France and Germany, and by Japan, Canada and Switzerland. However, satisfactory legislation in one form or another still eludes us seven years after the treaty was signed and after assurances were given to the House of Commons. This House, which has been patient almost to a fault during that period, can no longer wring its hands and hope that something will be done. The time for action has come. We must apply leverage on the United States to secure a complete, satisfactory and final solution to this irritating problem. That is the reason for new clause 27.

Since the first retaliatory clause was tabled in 1984, extensive consultations have taken place with business and lawyers to try to provide in this new retaliatory clause a greater element of flexibility for the Government when deciding how widespread the United Kingdom countermeasures should be. When it is triggered by statutory instrument, the clause would withdraw payments of tax credits to United States companies with a substantial business presence in unitary tax states — for example, California.

There are three options. Depending upon which of the three options the Government choose, the trigger will affect United States companies in the United Kingdom which have 7·5 per cent. or more of their property, payroll or sales in a unitary tax state, or which are subject to tax on income in a unitary tax state, or which have their

principal place of business in a unitary tax state. Those are the three triggers that the Government will have at their disposal if the House decides to accept the new clause. My hon. Friend the Member for Tatton (Mr. Hamilton), who is a very experienced lawyer, has been working with me on this new clause. He will expand a little further, if he catches your eye, Mr. Deputy Speaker, on the details.

The House will want to know what advice those hon. Members who have sponsored the new clause will be giving to the Government about when they should activate one of the three triggers. Such a decision will not be easy for my right hon. Friend the Chancellor of the Exchequer and his colleagues in Government. I pay tribute to them for having expressed considerable sympathy for the clause and for enabling this debate to take place. Rather like marriage, retaliation against a friend and ally is not something to be entered into lightly.

We must all hope that if this new clause is passed it will succeed in inspiring action in California and the other sunitary tax states during the remaining few weeks of the 1985 legislative session. We must also hope that it will inspire action in Washington and that they will lobby the federal Government to use their influence to solve this problem. If they do not, I hope that my right hon. Friend the Chancellor of the Exchequer will not flinch from pulling a trigger which will hit United States companies where it hurts: on their bottom line. That would produce a response.

If the new clause is successful in motivating the United States Administration, the states and business to secure a solution to this problem, the trigger could be released just as quickly as it had been pressed.

I pay tribute to the determination of the 50 companies which some years ago formed themselves into the unitary tax campaign which has worked very hard to solve this problem. A number of the companies benefit from the application of unitary tax. Despite that, they believe that the principle is wrong and they vigorously oppose it. I pay tribute to them for their stand. I pay tribute also to the chairman of the unitary tax campaign, Mr. Peter Welch, and to Professor Peter Whiteman, QC, a highly skilled lawyer who has helped us to draft the new clause. If the new clause is accepted, the House will owe him a great debt. The CBI, too, should be praised for its action in sending a mission earlier this year to California.

Although I have criticised the Government for resisting the pressure for retaliation in 1984, I am the first to say that the Government, including the Chancellor, the Foreign Secretary and the Financial Secretary, have shown admirable resolution and determination in pressing for a solution to the problem. I hope that the House will approve the new clause and that the Financial Secretary will agree that the time has come to put these powers on to the statute book.

Dr. Marek: I was interested in the remarks of the hon. Member fo Surrey, North-West (Mr. Grylls) and to hear the long roll call of people who have been involved in the campaign and the various actions that they had taken to arrive at the position which we are discussing tonight.

However, missing from the hon. Gentleman's comments was any justification from the point of view of, say, California as to why that state felt that it had no option other than to institute unitary taxation. The hon. Gentleman said that such taxation could, in a particular example, change a loss into a profit. That may be so from an examination of the company's books, but it may not be so from a careful examination of whether transfer pricing between different parts of the company—remembering that we are talking about multinationals—has taken place between one country and another. That is the problem facing us as we consider the new clause.

Companies do not have a code of morality and say, "We honestly believe that we made 20 per cent. of our profits as a multinational in the United Kingdom, so we will pay 20 per cent. of the tax to the UK, and the respective rates of tax in all the countries in which we operate." Multinationals will, by and large, try to minimise the tax that they pay worldwide, and rightly so. If, say, in California wage rates, land taxes or whatever are high, multinationals will minimise the tax that they pay in California and maximise the tax that they pay in, say, Taiwan and Korea. The same is true of multinationals based and registered in this country.

For a company that is based in this country and has much of its business in America, it gets caught by way of unitary taxation, and there is a real problem for such companies. There is an inherent unfairness in a system by which some states apply the normal code of taxation and others apply unitary taxation because, in effect, that creates double taxation, and that hits particularly hard those companies whcih are registered in, say, the UK but have a substantial trading interest in a country which applies unitary taxation, such as California. It is clear, therefore, that the system is not fair. For that reason I hope that the new clause will be accepted.

However, price fixing and transfer pricing by multinational companies operates not to the benefit of this country. It is not to the benefit of this country. Having said that, I do not think that affects the issue of unitary taxation. It ought to be looked at but not now.

I wish the new clause well. We cannot have two systems working side by side. We will either have to have one or the other. We do not have unitary taxation, there is no prospect of it coming, therefore it is sensible to see if we can get rid of it.

12.30 am

Sir Eldon Griffiths (Bury St. Edmunds): I very rarely speak in finance debates. I am quite sure that the rule of the road should be brevity, but I have perhaps some small credentials to speak in this matter because I have spent virtually the whole of my political and personal life as a devotee of the United States. I went to college there. I earned my living there for some 17 years. I bought my first house there. I was married there. I have a son there who is a banker. I am a director of two American companies. I visit the United States many times each year and I have the honour of representing, indirectly no doubt, some 23,000 American airmen who have the good fortune to be stationed in my constituency. So I make no bones about it. The United States is my second home, and my dearest wish in politics is that the Anglo-American alliance shall continue to be the bulwark of freedom and prosperity in the western world.

But there is one thing that I have never been able to stand when it comes from the United States and that is the attempt occasionally to export American policies beyond the water's edge and to impose them on other people. They tried that at the federal level in respect of the Soviet population and certain states, those named by my hon. Friend the Member for Surrey, North-West (Mr. Grylls)

[Sir Eldon Griffiths]

in particular, California, have been seeking to do so for a number of years in respect of unitary taxation. It is a subject that my hon. Friend dealt with copiously and clearly. There is not much more I need to say about it. But I have discussed this matter with American bankers, businessmen and politicians these 10 years and there is general agreement among those who care for the maximising of trade between the two sides of the Atlantic and indeed between the two sides of the Pacific that unitary tax is bad for business, bad for trade and bad for our relations and the United States ought to get rid of it.

As my hon. Friend has said, over the years we have tried virtually every which way, if I can use an Americanism. We have tried the legal route and got nowhere. We have tried the congressional route and got nowhere. We have tried the lobbying route through American businesses, banks and exporters and again we have failed. Consequently we are driven, reluctantly, to the retaliatory route. I, for one, always hoped that it would not be necessary that we should ever come to a point where it would be the duty, as I see it, of Parliament to put into the hands of Government the means of retaliating against the United States in this particular area, but as a friend of America I believe we now have no choice left.

I would simply, if I may, in supporting this clause, make these few simple points. There is nothing to be said in favour of unitary tax. It flies in the face of the broad movement towards the liberalisation of world trade. It is contrary to the declared policy of successive American Administrations, Democrat as well as Republican. It is damaging to the best interests of United States business abroad and it is worth saying that the third industrial power in the world, after the United States and Japan, is not the Soviet Union. It is not the Federal Republic of Germany. It is American industry abroad and it is contrary to the best interests of that industry that this tax should continue.

I hope that the federal Government will screw up their courage and find the time and the persistence to get rid of it at the federal level. I suggest to my hon. Friend the Financial Secretary, whose diligence in this matter I admire, that he should not only accept this clause when the House comes to consider it but that he should go further. He must bring this point home to the United States. He can do it in four ways.

First, there are now some 5,000 American lawyers in London. They will shortly be in Westminster Hall. It is important that not one of those lawyers should leave London without knowing how the British Government feel about unitary taxation. Secondly, he should ask representatives of all substantial American multinationals headquartered in London to come to the Treasury and to hear, from Ministers if possible, but if not from senior officials, that we mean business in this matter. The more of those representatives that are told precisely what the feelings of the House are, the better it will be.

Thirdly, it is enormously important to strengthen British representation in California. I have many times said in the House that the Foreign Office's judgment of America is faulty. I have lived there long enough to know that that is so. There should be a strengthening of our representation on the west coast of America, even if it means some reduction of our representation on the east coast. The consulate in Los Angeles is inadequately staffed, and it is important to increase that staff, if only to get this point across.

Finally, I suggest to my hon. Friend the Financial Secretary that he seriously considers putting full page advertisements in the *New York Times*, the *Washington Post*, the *Wall Street Journal Europe* and, above all, the *Los Angeles Times*, explaining very carefully that the best allies of America and some of the closest friends of California have said in the House of Commons that we cannot tolerate any longer the discrimination that this unitary tax imposes on us, and we expect them to get rid of it. The more that that can be put in the major national newspapers—television would follow—the more that it will be brought home. The matter can be resolved if the Government will follow what the House has started tonight.

Mr. Blair: The hon. Member for Surrey, North-West (Mr. Grylls) has been admirably clear and thorough in his presentation of the new clause, and I can therefore be brief.

The major employer in my constituency is Thorn EMI and, therefore, I am aware of the problems of unitary taxation. There is no doubt that it adversely affects United Kingdom companies. I agree with the general aims of the unitary tax campaign, and the Labour party will support the new clause.

However, we should appreciate the seriousness of what we are contemplating, and examine the drafting and timing of the new clause. We should also reflect on the frustration that has given rise to it, because we are taking a serious step.

It is essential to remember that the new clause is not proposing to cure unitary taxation, because we cannot do that, but is a retaliation against it. It is important that that point is made, because it emphasises that we are not taking this step lightly, but after a due consideration of the difficulties.

One can understand how unitary taxation came about. It began in California before the second world war, mainly as a result of the activities of certain movie companies sending earnings abroad. In California, the spirit behind the tax was, quite properly, to prevent creative international accounting. Unfortunately, California introduced unitary taxation, whereas most other countries attempted to have transfer pricing arrangements, as we do. They are particularly difficult. When considering these factors, one is considering activities within a particular state as well as worldwide.

California remains the main state of difficulty, and I understand from an article in the *Financial Times* that getting on for two-thirds of the revenue raised from unitary taxation is raised in that state. The main problem for United Kingdom companies is the enormous compliance costs involved in the unitary taxation system. These result not just in the specific problems that the hon. Member for Surrey, North-West referred to, because another difficulty is the sheer scale of the information that has to be given in order for the unitary taxation rules to be applied. He quite rightly went through the problems that have arisen since the 1975 double taxation agreement.

There are difficulties in connection with the United States Federal Government. One understands in particular the sensitivity of states over Federal Government interference in state activities and state prerogatives. The

Federal Government have shown a certain sensitivity over this, or at least that has been the stated reason for slow progress, but the Federal Government must make far greater use of the opportunity they have to bring pressure to bear on the states to change.

Two events which occurred in 1983 are worth mentioning. First of all, there was the decision in the Container Corporation case, where the Supreme Court of the United States determined that unitary taxation was not outlawed by the constitution. But that was a majority decision with a strong dissent, and the United States Justice Department was not briefed to appear in that case but attempted to appear after it ended. The commission set up by Secretary Regan, which reported in July 1984, looked at the matter in a certain way. In particular, it recommended that unitary taxation should be restricted to the water's edge; in other words, confined to taxing as a unit a company's activities within the United States.

According to the Unitary Taxation Campaign, there are still nine states with unitary taxation, which means that they go across the water's edge. There seems to be some disagreement as to the precise number of states. Some Treasury Ministers put the figure at six and the Library told me it was seven. Perhaps the Financial Secretary could elucidate on that. When the Regan commission reported, it set a deadline of 31 July 1985 for the states to take action on unitary taxation. That deadline is fairly close now, and I hope that this new clause, if it is passed, will give the Government a negotiating weapon. It will be a sign of our seriousness of intent to allow the federal and state governments to recognise exactly what we are contemplating.

The new clause meets the injustice of unitary taxation with the fairly rough justice of retaliation. Were a state to be designated by an Order of the House, any company with a qualifying presence within that state would not be able to claim back the refund of ACT under the double taxation treaty. That is a fairly heavy penalty for those companies with a qualifying presence in that state to bear. One hopes that that will encourage them to put pressure on their own state Governments to change their attitude towards unitary taxation.

It is right that the House will have to approve an order before the new clause can come into operation. We are expressing the seriousness of our concern, but we are saying, "We do not want to go all the way until they have had another chance to put their house in order." The new clause will force the pace towards abolition of unitary taxation.

12.45 am

The British Insurance Association and a number of insurance companies are worried about the difficulties that could arise for them if the new clause is implemented. I should like an assurance from the Financial Secretary that their representations would be taken into account before it was decided to put an order before the House.

It is important that the new clause has all-party support and that the House is united in identifying the problem and in its desire to ensure that discrimination against British companies is prevented. If it is felt that an order should be put before us—we hope that the need for that will not arise—it would be wise for the Opposition to be kept fully informed of the state of play, so that the all-party support can be retained. It is important that we should act as one.

The issue is important to British firms. We hope that the United States Government and the state governments will note the strong feeling of both sides of the House and will act voluntarily, rather than wait for the threat of retaliation to become actuality.

Sir William Clark: I support my hon. Friend the Member for Surrey, North-West (Mr. Grylls). Like him, I have been battling for years against unitary taxation.

I wholeheartedly agree with the hon. Member for Sedgefield (Mr. Blair) that it is a great boost to our battle that the new clause has all-party support. The Financial Secretary would be wise to note the comments of the hon. Member and to stress to the United States Government that we are not making party points.

I am sorry that the hon. Member for Wrexham (Dr. Marek) brought in multinational companies. We do not want to complicate the issue. We are talking about unitary tax and that has nothing to do with multinational companies.

The hon. Member for Sedgefield mentioned the worries of the British Insurance Association. It fears that if we take action against the United States the fourth convention will be cancelled. I cannot envisage that happening. The fears of the BIA are unfounded.

We are talking about an iniquitous tax which is anti-investment in the United States. We have well over $30 billion of investment abroad. As my hon. Friend the Member for Surrey, North-West said in a speech which everyone has commended for its clarity and lucidity, British companies own well over 20 per cent. of all foreign investment in the United States.

When I was in Washington before the presidential election I met Mr. McClure, the chairman of the working party set up by the President, and I told him in no uncertain terms what Back Benchers on both sides of the House thought of unitary tax. I warned him—and I am glad that the Prime Minister said much the same thing to the President — that pressure from both sets of Back Benches would be such that our Government would have to give way eventually, whether on the next Budget or the one after that.

Here we are at the next Budget. The United States has not taken on board what unitary tax could lead to. There is a great deal of British and American investment in Third-world countries. If any country thinks it legitimate and good business to have unitary tax, it would be disastrous for overseas investment for both the United Kingdom and the United States. I accept that this is retaliatory action. We can control only what we control, and we control only advanced corporation tax. That means on a £100 gross dividend that instead of an American investor receiving £85, in future he will receive only £70 because he will not get the 50 per cent. reduction in ACT. That should be pressed home because the latest figures show that the ACT concession for the United States is well above £300 million. If American companies, which invest in the United Kingdom and receive British dividends, realise that their income is at risk, the Federal Government may come under more domestic pressure.

I recognise that the Federal Government have difficulties in that the states are autonomous. On the other hand, if we had inserted the clause about outlawing unitary tax in 1975, it would have been mandatory on all the states

[Sir William Clark]

because the sovereignty of the Federal Government in Washington means that they can sign an international agreement which binds all the states.

We must bring pressure to bear on the Washington Government to end this iniquity. We are approaching 31 July and we cannot allow the present position to continue. I earnestly hope that my hon. Friend the Financial Secretary will accept the clause, and that he and the Chancellor of the Exchequer will trigger off the three points made by my hon. Friend the Member for Surrey, North-West. That is the only way to bring home to the Americans that we mean business and that unitary tax must cease.

Mr. Pike: I shall speak only briefly, because the hon. Member for Surrey, North-West (Mr. Grylls) argued the case well, and my hon. Friend the Member for Sedgefield (Mr. Blair) made the points that I intended to make. I support the new clause because it takes the right line. It is unfortunate that the line that the Government have pursued for many years has been unsuccessful in achieving the result for which we have wished. If the Government accept the amendment and it is carried, I hope that it will not be necessary to trigger the lines of action proposed in the clause, and that the Government will not find it necessary to return to the House for an order to take retaliatory action. I hope that California and the Federal Government realise that we mean business and that we intend to ensure free trade.

My hon. Friend the Member for Wrexham (Dr. Marek) referred to multinational companies, but the hon. Member for Croydon, South (Sir W. Clark) took his comments out of context. The new clause has all-party support, as has the early-day motion, in spite of doubts among my right hon. and hon. Friends about multinationals.

I have some doubts and fears about multinationals, but I recognise the importance of the taxation rather than the trade issue. It is significant that, despite fears and worries, Opposition Members are prepared to support the early-day motion and the new clause. I hope that the new clause is accepted and that it is not necessary to trigger the orders. I hope that the California authorities in particular will wake up and realise that we mean business. The House as a whole is saying that if they do not, we shall, unfortunately, have to retaliate. We hope that we do not have to take that action.

Mr. Neil Hamilton: I have a small qualification to take part in the debate because, when the double tax treaty was about to be ratified back in 1979, I wrote a book on the topic—one of the few ways in which members of the Bar can draw their presence to the attention of solicitors. A few hundred copies of the book survive and can be obtained at discount rates. I never quite made the Jeffrey Archer class, so I never needed to take advantage of the provisions of the double tax treaty in relation to the international earnings which I received from that book.

The topic has concerned British industry for a long time, so it is important to examine the way in which the clause is drafted and to discover why particular words are used rather than the alternatives which might have been used. It is important to recognise that this is merely enabling legislation which might never be used if the appropriate remedial action is taken.

As my hon. Friend the Member for Croydon, South (Sir W. Clark) said, the financial consequences of the new clause would be severe for many companies if we had to activate its provisions. It would deny tax credit equivalent to £15 on a £100 dividend to the parent company in the United States which would otherwise benefit from the repatriation of profits from United Kingdom subsidiaries.

The companies affected are those which have a substantial presence in the unitary tax state which operates the worldwide combined reporting system. The qualifying presence is defined as applying to a United Kingdom subsidiary which is a member of a group which has 7·5 per cent. or more of its property payroll or sales in a unitary tax state. That formula is used deliberately, because it is that which is used in the unitary tax states themselves and will therefore be familiar to companies operating there.

It is important to know that the terms property payroll or sales are disjunctive and not conjunctive and therefore that, if any one of them gives rise to the 7·5 per cent. trigger, the clause will affect all the companies which operate in that state. This is important to United States corporations because they already have to compile the information for state taxes. It is therefore available and will not involve any extra administrative costs to provide it to the Inland Revenue.

The 7·5 per cent. test could have been applied to income and we could have given ourselves extra test, but we decided to reject that because conceptual problems might otherwise have arisen — such as whether we should choose gross or net income and whether it should be income for United States tax purposes or for the tax purposes of some other jurisdiction. It seemed much simpler to restrict ourselves to the tried and tested formula of the unitary tax states.

Why have we chosen 7·5 per cent.? Many right hon. and hon. Members have said that the main problem is California. I am convinced that, if California takes the lead in getting rid of unitary tax, the other states will follow. California accounts for about 12·5 per cent. of American gross domestic product. That means that most American companies might come into the net if we have to activate new clause 27. Although, on that basis, the average company would have 12·5 per cent. of its assets in California, the figure pitched that high would have left many companies out of the net. We considered that the same was true for 10 per cent., so the next logical step seemed 7·5 per cent.

Why did we not go lower? In this respect, the other states that apply income tax come into play. The other states are small and there are few companies in the United States that would have more than 7·5 per cent. of their profit, payroll or sales in a state such as North Dakota. It seems that 7·5 per cent. is adequate to catch enough companies in California so that pressure can be put on the state legislature to remove the unitary tax provisions. If California repeals, the effect of the new clause is spent. Some states are not as legislatively busy as the rest of us. North Dakota, for example, has a lively system—its state legislature does not meet at all next year so, without a special session, it will be unable to conform to the new clause.

The onus of proof of entitlement to the tax credit for a company that would otherwise be caught by the new clause lies on the company, not the Inland Revenue. That means that the company must prove that it is not in the unitary tax net. It is not for the Revenue to dispute with the

company its coming within the ambit of the clause, but for the company to prove that it can take advantage of the double tax treaty.

The Treasury should act early or, once again, people in California will assume that we are not serious and that this is just so much huffing and puffing. I do not think that the consequences that have been feared would necessarily follow from early action. Under subsection (7)*(a)*, the orders that the Treasury would have to lay can be backdated to 1 April 1985. That blocks any avoidance possibilities by which United States corporations could attempt to avoid the clause by repatriating massive dividends now and draining their subsidiaries in Britian of funds. As that is a possibility, but as we do not want to create too much uncertainty in international trade, there should be as little retrospection as possible. We should therefore have action as quickly as possible.

There are two alternative triggers to the 7·5 per cent. test to which I have already referred. One is a wide alternative trigger and the other is a narrow one. On the basis of the wide alternative the Revenue would be able to trigger the proposals in the new clause in relation to any company which has a qualifying presence in, for example, California by virtue of having any of its income subject to state taxes. The narrower definition would mean that the principal place of business of the company should be in the unitary tax state. This gives enormous flexibility to the Revenue but also creates uncertainty. The states which operate unitary tax systems should realise that there is a wide battery of possibilities open to us and that we are determined that the new clause will be effective if it ever needs to be activated. That should encourage states to take early action to remove the cause of difficulty.

If by some mischance a company tries to evade or avoid the ambit of the new clause, a variety of penalties are provided in the new schedule. A fine could be levied equal to twice the tax credit. This type of fine is important as it entails the company not just repaying the tax credit that it has already received but suffering a fine equivalent to the tax credit plus an equivalent amount on top. That is important because, under the internal revenue code of the United States, fines are not deductible from corporate profits for tax purposes, so it would increase the cost to US corporations attempting to avoid or evade the new clause.

Interest is set at the rate of 9 per cent. under paragraph 1(3) of the new schedule, effective from the time when the tax credit is paid. The loss of the right to set-off is covered in paragraph 1(4)*(b)*, which provides for a loss of the right to set-off advance corporation tax on the dividend which cannot then be set against mainstream corporation tax liability. The right to set-off is not only lost for the accounting period in which the tax credit is paid to the company but can be carried forward indefinitely if there is any excess or surplus available for that purpose.

Various avoidance techniques might be used to try to get around the working of the clause, but I believe that we have effectively prevented them from succeeding. For example, what would happen if the United States parent company refused to pay the fine? Paragrpah 1(4)*(a)* of the new schedule provides that the fine can be recovered from the United Kingdom subsidiary or from any connected company. What if the United Kingdom subsidiary pays the dividend and the parent company then liquidates the subsidiary to try to circumvent the clause? The liquidated company is deemed to exist for a further six years and if a new subsidiary is formed in its place within six years that company will be liable for the accumulated fines in relation to the original infraction. Thus, both simple liquidation and liquidation followed by reincorporation will be ineffective.

If a United Kingdom subsidiary or connected company pays the interest or the fine on behalf of the United States corporation, that will not be deductible for corporation tax purposes in this country. The purpose of that provision is to recapitulate for our own tax regime the effect of a fine not being deductible for tax purposes under the American internal revenue code.

The United States parent company subjected to fines and interest will have to pay the interest gross whereas normally the withholding of tax is deducted first and the interest is paid to the recipient net. That, too, will reduce the benefit of attempting to avoid the purposes of the clause.

The hon. Member for Wrexham (Dr. Marek) and others have referred to the use of creative accounting techniques, but I believe that we have prevented the use of such techniques by paragraph 3(1) of the new schedule. For example, if a United States parent company lends a United Kingdom subsidiary, say $1 billion and then charges 10 per cent. interest on the loan as a notional transaction intended to convert what would otherwise have been paid by way of dividend to a payment by way of interest, that too will be covered because the new schedule provides that interest paid where it is reasonable to suppose that a qualifying distribution would otherwise have been made will not avoid the provisions of the new clause.

The draconian powers of inspection and requirement of information in paragraph 4 are based on the controlled foreign companies provisions rushed through the House last year without debate and with the connivance of the Opposition, so I hope that both Front Benches will approve of the insertion of those provisions.

The measure that we propose is draconian, but desperate diseases require desperate remedies and that is the situation in which we now find ourselves. I repeat, however, that the effect of the new clause can be avoided by timely action by the states concerned. If repealing legislation is passed by 31 December 1986, even if the new clause is put into effect in the meantime, the United States corporations affected will get their 15 per cent. tax credit and will be no worse off than they now are even if the repealing legislation was not in force when the distribution payment was made. I believe that that will be a great incentive to action by California and I hope that the authorities there will take the hint.

It may be argued that we are setting a precedent, but I believe that the United States has already set the precedents. For example, the United States double tax treaty with France came into being as a result of a threat of retaliatory action of the kind that we propose today. Section 891 of the American internal revenue code sets that out, so in a sense we are simply following the action of the United States and not setting a precedent of our own.

It may be argued that our proposal overrides the double tax treaty and that that itself is a precedent. If the proposals were triggered off, they would certainly override the provisions of that treaty, but there are precedents for that in the United States. For example, the Foreign Investment in Real Property Tax Act 1980, which became effective on 1 January this year, specifically overrides all the double tax treaties entered into by the United States with all

[Mr. Neil Hamilton]

countries around the world. The Americans have thus introduced domestic legislation of their own which overrides international obligations entered into freely by treaty; and that was a unilateral move on their part.

In relation to our own double tax treaty, too, the United States has overridden one of the articles. There is therefore a precedent for action in that context, too, in so far as the American Internal Revenue Service has made a ruling which overrides the provisions of the treaty in relation to insurance premiums received by United Kingdom insurance companies.

I believe, therefore, that this measure is timely and necessary. I do not believe that it will lead to retaiiation by the United States. I believe that the Federal Goverment are determined to see an end to this problem in the interests of their own international trade and that the cost to United States companies of inaction by the Californian authorities will be very great indeed. If the Government support the new clause today they will do a great service not just to the cause of business in this country but to the whole international trading and business community.

I commend the new clause to my hon. Friend the Financial Secretary and I hope that what he has to say today will be trumpeted across the Atlantic as a meaningful and determined attempt to declare war upon a system of taxation which is as unjust and damaging to the insterests of the United States as it is to the interests of this country and of all other countries affected by it.

1.15 am

Mr. Wrigglesworth: I support the motion, and urge others to support it. It is timely, as the hon. Member for Tatton (Mr. Hamilton) said. Some would say that it is long overdue. When the tax treaty came before the House, we had the opportunity to exert considerable pressure on the Administration, and, through the Administration, upon the states in the United States, to rectify the situation that had arisen. Although assurances were given, action did not result to the extent that we had hoped.

I have come firmly to the conclusion that only this sort of retaliation will pay the dividends that we want. In the mid-1970s I remember discussing the matter with Governor Brown in California and trying to get him to see the sense of the argument that was being put to him. It was clear that he was not going to budge an inch, and that no other state government would, unless there was a clear reason for them to do so, in responding to their own electorate and their interests. The only way in which we can bring that about is by putting on the pressure proposed in the new clause.

Therefore, I hope that the House will give its full support to the new clause and that the Government will enthusiastically welcome it as a means to put pressure upon the Federal Government and through them on the state legislature, so that this ridiculous situation can be resolved.

Mr. Moore: I shall try to be brief, but the House will understand that it is essential that I express with great care and clarity the Government's attitude to the clause.

This has been a major debate on an issue of great importance to the United Kingdom, the United States and all our trading partners. If I may say so, the speech of my hon. Friend the Member for Surrey, North-West (Mr. Grylls) was fully in keeping with the importance of the issue. The House is indebted to him and his colleagues — I specifically mention my right hon. Friend the Member for Taunton (Sir E. du Cann), who is not with us tonight but who has been long active in the campaign, and my hon. Friends the Member for Croydon, South (Sir W. Clark), for Bury St. Edmunds (Sir E. Griffiths), and for Tatton (Mr. Hamilton). It is important that on the issue we have had consistent all-party support. I particularly welcomed the speech by the hon. Member for Sedgefield (Mr. Blair), representing the official Opposition, that of the hon. Member for Stockton, South (Mr. Wrigglesworth), and the continued presence throughout the debate of the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood). It is crucial that we have a clear signal on whatever we do in the area. The consistent all-party support has been a key feature of the debates on the issue.

It is clear that my hon. Friend the Member for Surrey, North-West spoke for the whole House when he referred to the widely felt frustration that a solution to the problem has been so long delayed. It is equally clear that he spoke for the House when he said that the time had come for Parliament to take legislative action to register the United Kingdom's determination to see that a solution of the problem is achieved in the United States. That was borne out by contributions to the debate from all parts of the House. It is reinforced by the number of hon Members — again from all parts of the House — who have put their names to the new clause on the amendment paper.

I should like to make it clear that the Government strongly endorse everything that has been said in the debate about the imposition of unitary taxation on United Kingdom-controlled companies and other non-American corporations.

The basic objection to unitary tax is that it is contrary to the internationally accepted principle of allocating profits where a company or group operates internationally. That is that tax authorities charge tax on foreign-owned companies only on the profits arising in the country or state for which they are responsible. The arm's-length method is recognised by both the Organisation for Economic Co-operation and Development and United Nations, and is enshrined in a worldwide network of bilateral double taxation treaties including the treaties to which the United States is party. It provides a coherent and consistent tax framework for international trade and investment.

As applied by states such as California, the unitary tax method applies a formula apportionment to the worldwide profits of a multinational group to establish the tax due in California. In doing so, a unitary state is reaching beyond the borders of its own jurisdiction and taxing profits earned outside it, and thus breaching the internationally accepted principles.

For individual companies, as many hon. Members have said, that means unfair tax bills and excessive compliance costs. It can also produce double taxation. Income earned by the foreign parent of a United States subsidiary is taken into account in the unitary tax bill, and taxed without any relief for overseas tax. Multinational groups can be taxed on more than 100 per cent. of their income in a particular state, and a loss can be turned into a taxable profit. Another serious objection is the excessive compliance burden imposed by worldwide unitary tax. The method inevitably involves financial information on the worldwide activities of the group, which can be extremely

burdensome in practice. It is objectionable that a state tax authority should demand information about the financial records of United Kingdom companies, and their subsidiaries, which are outside the United States and unrelated to activities within the United States.

If unitary tax continues, it will distort investment decisions. The immediate effect is to damage inward investment in the states that impose it. There is increasing recognition in the United States that it is, therefore, in the economic interest of such states to remove it.

The damage goes wider than that. If unitary tax continues, it will disrupt the internationally accepted taxation framework, and have a damaging effect on the development of world trade. The importance of a solution is, therefore, self-evident.

A speedy resolution of the problem is especially important to the United Kingdom, because the cumulative total of United Kingdom investment in the United States is now more than $32 billion. This is more than any other country and represents nearly a quarter of all foreign direct investment in the United States. In 1983 alone, the United Kingdom invested more than $3·7 billion in the United States, which accounted for 32 per cent. of the total of foreign direct investment in the United States in that year.

The American Administration recognised this as long ago as 1977, when the United Kingdom and America negotiated a provision in the tax treaty to prevent individual states from applying the unitary method to United Kingdom companies. The proposed treaty was ratified by the House of Commons in 1977. However, article 9(4) was rejected by the United States Senate in 1978. The United Kingdom Government were then assured that the United States Administration would use their best endeavours to secure a solution.

Since then, there has been some progress, but not enough. There was a major setback, as the hon. Member for Sedgefield (Mr. Blair) said, when the United States Supreme Court ruled in the Container case that the California worldwide unitary method was not unconstitutional, at least so far as it was applied to a United States parent corporation and its foreign subsidiaries.

However, a working group was set up under the then Treasury Secretary Regan to seek to resolve the issue. The group reached a consensus on the general principle that unitary taxation should be limited to the United States water's edge. But it left important issues on the application of that general principle unresolved. In his report to the President in July 1984, Secretary Regan said that these issues should be left for resolution at state level. However, he also said that if there were not,

"sufficient signs of appreciable progress by the states,"

by 31 July 1985, he would recommend to the President that the Administration propose federal legislation to give effect to a water's edge limitation.

It is right to recognise the importance that the United States Administration attaches to securing a solution, which will — as Secretary Regan put it — enable the United States,

"to speak with one voice in dealing with its foreign trading partners",

so that,

"this irritant to international commercial relations will have been eliminated".

It is clear that there is a common objective. Some progress has been made at state level since the working group reported. Six states have now repealed or modified the worldwide application of unitary tax. But in some cases, the state legislation does not provide a comprehensive limitation on the application of unitary tax to United Kingdom groups. In five states, legislative initiatives have failed to succeed. In California, the key state fo the United Kingdom, a legislative initiative last year was unsuccessful. Despite the Governor's efforts to achieve a solution and intense activity by key legislators, the chances of satisfactory legislation passing this year are in serious doubt.

It is against this disappointing background that the House must consider the legislation proposed in the clause and schedule. Before we contemplate the passage of this legislation, we should ask whether we in the United Kingdom have done enough to impress on our friends in the United States the importance we attach to the issue. I think the answer must be yes. This has been confirmed by all we have heard in the debate. The Government have lost no opportunity to urge a speedy solution on the United States Administration, and have done so at the highest levels. The Administration have been well aware of the strong parliamentary pressure for legislative action if such a solution was not forthcoming. In the past year, when the focus has been on action at states level, there has been vigorous and concerted activity by the United Kingdom Government and industry. Government and industry teams have gone to Florida, Colorado, Utah and North Dakota in the past 12 months. Since last July, United Kingdom teams have visited California on four separate occasions. These included a major delegation led by Sir Terence Beckett of the CBI in February this year. I would like to pay tribute to the energy and resource displayed by the CBI, the Unitary Taxation Campaign — especially its chairman, Peter Welch — and other representatives of British business in trying to secure a resolution of the problem. As my hon. friend said, a similar tribute should be paid to our officials in the Embassy in Washington and in the other American consulates and, if I may say so, especially to our officials in the Inland Revenue.

Despite all this activity from the Government and industry, and from other countries, a resolution of the problem still remains in doubt. The Government have therefore concluded that it is right that the enabling powers proposed in the clause should be passed into legislation, and we so recommend to the House.

The hon. Member for Sedgefield asked for two assurances. I happily give an assurance that the Government will take account of representations on behalf of the insurance industry, to which the hon. Gentleman particularly referred. Of course, that would extend to the rest of British industry. I recognise the absolute importance of obtaining all-party support. I cannot give an absolute undertaking in this matter, as clearly we cannot anticipate events and circumstances. However, I take the hon. Gentleman's comments very much into account. It is clearly far better to retain a united parliamentary front. As the hon. Gentleman said, the House will have time to reflect and vote under the affirmative order procedure.

The powers in the clause and schedule, if invoked, would deprive United States parent companies of tax credit on dividends paid by their subsidiaries in the United Kingdom. They could have a major impact on the finances of such companies. At the extreme, they could cost these companies as much as £500 million a year.

The Government will not, of course, recommend to the House that these enabling powers should be invoked

[Mr. Moore]

without the most careful consideration and consultation with all those concerned. It is important that if it becomes necessary to invoke the reserve powers there should be a degree of flexibility in specifying the companies and states that will be affected. My hon. Friend the Member for Surrey, North-West made a convincing case for this when he explained the changes that he has introduced into his clause to provide the maximum flexibility for the Government if a resolution were laid to bring the powers into effect.

I conclude, however, by expressing the earnest hope that it will prove unnecessary for the United Kingdom to invoke the reserve powers in the clause. I very much hope that our friends in the United States — in the Administration, the states and business—will soon be able to secure a satisfactory solution to the problem of their own volition. There is a common interest in solving the issue. The basis of that solution is common ground between the United States Administration, states and business. We trust that the United States will now be able to overcome the remaining obstacles to achieving a complete and enduring solution to this problem, by action in the states or by federal action.

In this spirit, I commend my hon. Friend's clause and schedule to the House.

Mr. Grylls: With permission, I should like to respond to the debate. I reiterate the all-party support for this measure. It is important that a signal should go to the United States that the House is determined in this matter and that the threat of retaliatory action will not go away until the problem is solved. In that spirit, I hope that the House will accept the new clause.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 29

BUSINESS EXPANSION (RELIEF FOR LOAN CAPITAL)

'Any reference to eligible shares for the purposes of Business Expansion Relief under Schedule 5 to the Finance Act 1983 shall include a reference to eligible Loan Capital which shall rank equally for income tax relief, subject to the qualifications that Business Expansion Scheme Loan Capital in a Company shall:

(a) not be repayable within five years;

(b) not carry any voting rights;

(c) not be entitled to interest in excess of base rates (as published quarterly by Her Majesty's Government);

(d) not participate in the profits other than by way of interest;

(e) not carry any preferential right of repayment in any circumstances other than in preference to equity share capital;

(f) not exceed the amount invested in Business Expansion Scheme equity shares; and

(g) specify the events that would enable the Loan Capital to be converted into equity and so carry voting rights.'. —*[Mr. Richard Page.]*

Brought up and read the First time.

Mr. Richard Page (Hertfordshire, South-West): I beg to move, That the clause be read a Second time.

I propose this measure with no hope or expectation that the new clause will be added to the Bill in 1985. I like to think that I can let it gently float upon the surface of the Treasury waters, so that the Treasury can consider the idea and possibly bring it forward in the Finance Bill 1986.

I am always reminded in matters such as this of one of the sayings of the late Lord Butler. When anyone saw him with a proposition, complaint or idea, he said, "How many are you?" I have been pleasantly heartened by the number of people who have expressed interest in and support for this idea.

One reason why this measure has been proposed is the relative failure of the loan guarantee scheme. I have been exceedingly disappointed at the calls placed upon the Government guarantee and at the high number of failures that have taken place.

We need to have a means of evaluating business propositions that do not require a high asset value. We should have a means of considering a business scheme and ascertaining whether it can be viable and stand on its own two feet without gearing it entirely to the assets that have been involved in the proposition. The work that has been done in the various local enterprise agencies within the Department of Trade and Industry in evaluating the business propositions put before them has shown how they can reduce new start-up failures to a rate between 1:8 and 1:12.

1.30 am

We must bear in mind the mentality of those who come forward to try to set up a business. They want to do it themselves, in effect. They want to become independent. They want to be their own boss. They turn to the business expansion scheme for start-up finance. We know that in Britain there is extreme difficulty in accumulating one's own finance. Perhaps the most finance that an individual can accumulate is through his own home, and there are some who would be reluctant to put that item or asset at risk. That is where the BES helps.

So much money is needed now to start up a business that the equity of the person who wants to do so is reduced sometimes to such an extent that he loses control and is not his own master. That means that he is back in the position from which he tried to escape. He wants to be his own master and does not want to be someone else's servant. That is why I have tabled the clause. By matching some form of loan to equity, with tax reliefs that give incentive to put money into the scheme and with the evaluation of the scheme that will take place, I hope that the clause will help many to start their own businesses.

I have introduced the clause because I have been approached by several people who have wanted to use the BES but have backed off it because they have been faced with the prospect of not having control of their company or that of not going ahead. As they want to be their own masters, they have withdrawn.

The conditions that are set out in the clause are infinitely flexible. I have set out principles but that is all. Whether any interest rates should be parallel with the base rates that are published quarterly by the Government is something that is open to debate. There are some who would say that the rate should be several points below the base rate. I have provided that the ratio of equity to loan should be 50-50 but others may consider that it should be a different proportion. I hope that my hon. Friend will give the principle due consideration over the next nine months or so before the next Finance Bill is introduced.

Dr. McDonald: I do not think that the clause would have the support of the Opposition. As Conservative

Members know, we have many doubts about the business expansion scheme and the way in which it operates without adding the proposed relief to them.

A person who subscribes for loan stock takes less of a risk than someone who subscribes for shares. If the company goes bust, for example, the loan stockholders are paid out first. It is only if there is anything left that the shareholders are paid out.

The BES started as the business start-up scheme might have had some merit when it was introduced. However, the way in which the scheme has been used has moved away from the original concept. Investors want to find an easy method of tax relief without taking any risk and that is why the Government have had to eliminate agricultural holdings, and subsequently property based investments, from the scheme. The Financial Secretary to the Treasury knows that we have doubts about some of the other companies which attract investment under the scheme. Tax relief was designed to compensate investors for taking risks in new industries that would have difficulty in attracting investment, so we cannot support this addition to the tax relief that is already available.

Mr. Graham Bright (Luton, South): I support the new clause which was moved by my hon. Friend the Member for Hertfordshire, South-West (Mr. Page). The business expansion scheme has been an unqualified success. In its first year it attracted about £100 million for equity in companies. It assisted about 500 companies, over half of which were very new or were just starting up in business. Their capital requirements were very modest. A third of them raised less than £50,000. The scheme meets a long standing need. As my hon. Friend said, the loan guarantee scheme, for which I campaigned, needs to be replaced by an alternative. It filled a gap, but unfortunately it was misused in many instances by the banks. Companies which did not meet their criteria were passed as a risk by the banks to the Government.

The purpose of the new clause is to extend the relief afforded to the business expansion scheme to loan capital. As both the Bolton and Wilson committees of inquiry found, many small companies are reluctant to lose control of their equity or to risk future loss of control, should they need additional capital. The loan guarantee scheme and the practices of the major banks do not necessarily meet the precise needs of these companies.

For this reason, the new clause provides that the provision of loan capital as well as equity capital should be eligible for income tax relief under the business expansion scheme. It envisages a loans commitment for a period of at least five years without any prospect of loss of control by the recipient company by the conversion of the loan capital into equity capital. Furthermore, an investor would not expect to receive extra payments of interest, as provided for in the loan guarantee scheme. In its new guise, the loan guarantee scheme is very much weaker than it was.

New clause 29 contains a scheme that is designed specifically to complement the provisions of the business expansion scheme and to extend them in a way that will be acceptable to new small companies. I recommend it to the House. There ought to be a rolling programme for small business initiatives. We need to introduce new ideas and improve what we already have. This would greatly help those small companies which hope one day to become large companies. At present, many of those who start or own companies are reluctant to the point of not taking advantage of what is available to them in the market place because of fear of losing control of the company. The new clause would present an answer which would be acceptable to them, and I hope that the Financial Secretary will give the idea due consideration, if not tonight then at some time in the future.

Mr. Moore: If anything could endear me to the new clause, it was the charming way in which my hon. Friends the Members for Hertfordshire, South-West (Mr. Page) and for Luton, South (Mr. Bright) did not seem to have much anticipation of its being accepted. If anything also could commend me to support their attitude, it was the unstinting effort that they have made, along with other of my hon. Friends, in arguing for the cause of the small business and the extension of the business expansion scheme, which they see as a major help.

The business expansion scheme is designed to promote new and expanded activity in the small firms sector by mobilising a new source of equity investment in unquoted United Kingdom trading companies—equity investment by individuals who are not otherwise connected with the company. By contrast, this new clause seeks to extend the relief to investment in such companies by way of loan capital. We see real difficulties with this, given the underlying aims and objectives of the BES.

The fundamental purpose of the BES, like the start-up scheme before it, is and always has been specifically that of helping to meet a shortage of equity finance that is thought to face small companies. It always has been very difficult to pin down the precise nature and extent of any financing gap facing small companies, but for many years there has been — and I believe still is — widespread agreement that the main problem facing small start-up and newly expanding companies is one concerning equity rather than other kinds of longer-term finance.

To extend the relief to investment by way of loan capital would, therefore, defeat the fundamental purpose of the scheme. Indeed, one of the uses to which companies may put the proceeds from a BES issue is precisely that of repaying loan capital and other borrowing, other than from the BES investors themselves.

There is a second major difficulty with my hon. Friend's proposal. As I said in Committee, BES provides a uniquely generous level of relief. The object of, and justification for, this is that of providing a big enough incentive to encourage outside investors to undertake the kind of very high risk investment for which the scheme is intended—that is, a minority holding of new, full risk ordinary equity with no prior or preferential rights, with no guaranteed return, and, even assuming the business succeeds, with no certain or obvious exit route.

I appreciate that some of the qualifying conditions in my hon. Friend's proposal would be similar to those that apply at present in the case of BES equity investment. The fact remains, however, that under this proposal qualifying loan capital would not be at risk in the various senses I have described to the same extent as BES equity capital. For example, loan investors would have an immediate return by way of interest, whereas equity investors would not, and the loan investors would have priority over the equity investors as regards repayment of capital. In addition to my concern that this proposal would defeat the

[Mr. Moore]

fundamental purpose of BES. Therefore, I do not believe we could justify what is an extremely generous relief for this kind of investment.

We shall be reviewing the scheme later this year, once the results of the study are available. Clearly, it is too early to say what the outcome of this review will be, but I feel bound to say that, for the reasons I have explained, I see little prospect of our concluding that the scheme should be developed on the lines proposed by my hon. Friends.

While, therefore, I hear the words that they are uttering, I do not seek to give them too much encouragement, even at this late hour, and I hope that they will agree to withdraw the new clause.

Mr. Richard Page: I thank the Financial Secretary for the gentle way in which he led me down the path of rejection. I had hoped that as he had accepted an earlier clause, he would accept this one, but obviously his generosity lasts for only a short time and then he reverts to the normal Treasury line.

The House will appreciate that because of the lateness of the hour, I did not spend long expanding the thoughts on and principles behind the new clause. For anybody wishing to start a new business, a range of financial tools should be available, and the new clause would have provided an extra implement to help companies get started. I emphasise the need to have the equity and the loan in a set ratio so that the two go together and are linked, but designed to allow somebody starting a business to retain managerial control. I am conscious of the remarks of my hon. Friend. I know that in the past ideas have been summarily rejected and later surfaced suitably garnished and embellished with more expertise in draftsmanship than I am able to bring before the House. On that hope for the future in my breast, if nowhere else, I beg to ask leave to withdraw the motion.

Motion, and clause, by leave, withdrawn.

New Clause 31

ISSUE OF VALUE ADDED LOAN STOCK

'(1) The payments of interest by a company in respect of an issue of loan stock offered in accordance with the provisions of this section and the premiums paid on the redemption of that stock shall be deemed to be charges on the company which are allowable for the calculation of the corporation tax due to be paid by the company and shall not be taken to constitute a distribution as defined by section 233 of the Taxes Act 1970.

(2) For the purpose of this section "value added loan stock" means a loan stock with a stated repayment date in respect of which the amounts of the distributions to be paid from time to time shall be fixed at the time of issue in accordance with a published formula by reference to the amount of the value added by the company in the accounting reference period in respect of which each distribution is made, and the terms of the repayment shall be fixed in accordance with a published formula by reference to the amount of the value added by the company in the last five accounting reference periods before the repayment falls due.'.—*[Sir B. Rhys Williams.]*

Brought up, and read the First time.

1.45 am

Sir Brandon Rhys Williams (Kensington): I beg to move, That the clause be read a second time.

I have been encouraged by the welcome I have had in past years for proposals of the same kind to believe that this proposal once again is worth a few minutes of the time of the House.

I have often sought to draw the attention of the House to the paradox in the capital market that, on the one hand, we have lenders not short of funds who complain that they cannot find suitable borrowers and, on the other, a large number of corporate borrowers who cannot get offers of finance on terms which they feel able to accept. So we have an unsatisfactory situation in regard to investment in the private sector; many companies have first-class schemes which are postponed from year to year because capital market conditions do not seem to the management to be quite right—so they postpone their project from one year to the next.

The reason is not that there is something wrong with the lenders or with the borrowers but that the structure of the capital market as it now exists in London is too limited. In particular, we tend to look at projects over much too short a term. Investors and borrowers cannot see far enough into the future as perhaps they were better able to do under the gold standard; so the returns on an investment have to be very quick if it is likely to find support. Big profits are needed in the early years. After that, what happens to the investment is a matter of relative indifference to both sides. That state of affairs does not show capitalism at its most fruitful. It ought to be a matter of serious concern to the Government to lengthen the time span of discretion in corporate finance.

Investment yielding a slow start in the early years, even with lively prospects in the long run, cannot get finance on terms which are acceptable to the parties. This is something that must be remedied and I think the remedy lies in minor reforms of the tax system, at any rate to a certain extent. I know it is dangerous to generalise, but perhaps it is worth the House considering the comparison between the present difficulties of raising finance for the Channel link, which is bound to be a success in the long run, but could well be a slow starter in terms of producing returns, and the Suez Canal, where Disraeli was able, I believe, to find money on 99-year terms with no difficulty when he went out to buy the shares.

Can we do something about this state of affairs? The risk of inflation makes fixed-interest borrowing very dear for companies in real terms in the early years. Convertible debentures do not solve any of the problems, although they have a certain use, no doubt. Deep discount, which the Government believe in and have made possible, is a gamble on inflation, with a winner or a loser according to whether the terms are right or wrong for the company which raises money in this way. That is not an attractive way of raising capital for very many solid and responsible managements and deep discount is not going to catch on in a big way. Equity issues put directors at risk because their profits may be diverted away from the remuneration of the investors, which they have offered in the original prospectus, by all sorts of forces over the passage of time. Current real rates of return are not high enough in many sound businesses for them to justify an issue of new equity stock, and so we drift on from year to year. Investors tend to buy existing assets rather than participate in new ventures, and that is an unhealthy and inflationary aspect of the capital market. We see it in the price of parades of shops and other properties, such as houses in Kensington, which constantly go up in price as funds look for places to rest.

Before I came to the Chamber, I turned up a copy of *The Times* for 1935, because I thought that it might be instructive to look at the page showing stock exchange

prices and the active dealings that took place in July of that year. I do not want to weary the House, but I can give some examples that leap to the eye. One of the sections that was quoted was the home railways section, which was divided into the ordinaries, the debentures, the guaranteed and the preference shares of the railway companies. That shows the range of opportunities available for corporate finance.

I looked up Imperial Chemical Industries, for which I had the pleasure to work for 14 years. It had ordinary shares in active issue being traded all the time, ordinary deferred issues and the 7 per cent. prefs, all of them active in the market. Harrods had an ordinary issue and 7·5 per cent. prefs. Imperial Tobacco had ordinaries, 5·5 per cent. prefs, 6 per cent. prefs and 10 per cent. prefs, no doubt issued at different times, but all of them actively traded in the market. GKN had ordinaries, 5 per cent. prefs, 5 per cent. second prefs and 4 per cent. debentures.

The structure of the stock exchange quotations for the standard, well-known British companies do not now have that range of different instruments by which the boards were able to raise finance in those days. In 1985, however, the Government do have this option, in that they can issue fixed-interest stock, which yields about 10·5 per cent., or indexed stock at 3·5 per cent.—about one third of the cost in terms of the initial real dividend for stocks of 20 years' duration. The cost over the life of the loan to the taxpayer in real terms may be the same, but the cost in the early years is much less, as only one third is going out in dividends for the same initial capital.

Private sector borrowers do not have this option. If they are going out to the market on fixed-interest terms, they have to pay something that goes beyond the fixed-interest terms offered by Government stock—that is to say, a very high real rate of interest in the early years, and then an unpredictable burden on the company as the years go by, because no one can see what inflation will do to the commitment to service a new debenture issue over a long span of time.

Private sector borrowers therefore believe that they cannot enjoy a similar option to the Government in issuing long-term indexed stocks such as would enable them to raise money at much lower cost in the early years. They may be misinformed. My hon. Friends have suggested that the changes in the tax system of companies in recent years has opened the way for such issues. People to whom I speak however, who are experts in that sector, do not believe that this is the case. If the market is unaware of the opportunities or doubts whether they exist, we are not likely to see companies making use of this facility.

If companies were able to issue indexed debentures in the same way as the Government, should they, prudently, use the RPI? I doubt whether it would be wise for companies to make the same commitment as the Government, and to bind themselves to meet changes in the RPI from year to year whatever they might be. If there are sudden changes in the RPI, there might also be sudden changes in the climate for business which would be adverse to the firm, and which would not necessarily leave it in a position to raise its dividend along with the RPI.

The RPI is something like goblin fruit: it looks very good, but in time it could poison one. It would be better for companies which want to enter the indexed market to devise a formula which would relate their dividends to the company's turnover, or to its value added, or to its annual achievement in one form or another, so that as the years went by, the commitment, which would be a prior charge, would be within the capacity of the company to meet. The commitment would be ruled by the company's own performance and the investor in this type of stock would be participating in the performance of the company. It would be different from an equity, in that it would not be a discretionary dividend: it would be a genuine prior charge. The terms of the loan would be fixed from the start, and that would be made perfectly clear in the prospectus. It would be different from a debenture in that it would protect the investor from depreciation in the currency year byb year, because the calculation of the amount to be paid would be made in the currency of the year in which the profit and loss account was decided. It would be different from bank debt, because it would contain an element of participation in the firm's performance.

If it is true that the annual charge for service of an indexed loan would rank as a prior charge for corporation tax as my hon. Friends have been trying to explain to me —or if it did not greatly matter if it did or not, because of the reductions which have been made in the taxation of companies — we would still have the problem of the treatment of the eventual capital repayment. It would be unsatisfactory for the capital not to be indexed on the same or similar terms to the dividend. Obviously, it must be indexed in a way which does not introduce an element of discretion and I have tried in the new clause to suggest a way in which the discretionary element would be minimised. No doubt there are many other ways.

If the eventual capital repayment were twice or three times the numerical amount of the original loan, how do we treat that excess for tax purposes? I suggest that, up to the amount of the increase which corresponds to the increase in the RPI, the repayment should be free of tax. In so far as it exceeds or falls short of that, it should be taken into the tax liability of the recipient as a capital gain or loss. For the company, the repayment of the loan on the terms on which it was originally issued, must surely rank as a prior charge.

I realise that there are opportunities here for tax evasion, but my right hon. and hon. Friends are equal to overcoming that problem. I hold the belief that where there is a will there is a way. At the moment, this type of loan stock is not known at all, but if the tax position were clarified, it would gradually become an important element in corporate finance. Why not give it a chance? If companies do not want to use the facility, nothing will be lost, but if it is found to be a useful instrument for expansion, it must surely be worth making the effort to make the correct and necessary adjustments in our company taxation system.

The Government need not fear a loss of revenue, because a healthy private corporate sector must be good for the overall yield of tax. The Bank of England need not fear that private borrowers would crowd out the Government in the indexed market, because the supply of this type of stock would tend to create its own demand, as the market became used to its existence.

Existing equity holders would not suffer, because if a company's investment brought a good return, it would more than service the debt and provide an additional source of finance for increasing the equity dividend as well. We should not think only of the advantage to conventional corporate borrowers, but should look slightly wider to the facilities that the London capital market ought to be offering. This type of facility would open the way

[Sir Brandon Rhys Williams]

to companies without equities. This is becoming an important element in the London capital market in the form of management buy-outs. It is a development which deserves the Government's fullest encouragement. Management buy-outs—or companies without equities—provide the Compromesso storico between capitalism and Marxism, where the profit belongs to the workers but there is a fair return to the investor too.

Investment under Islamic principles is also being sought for a large volume of funds. It would be a particular advantage if there were in London a range of stocks that were eligible to attract investment from owners of funds who have reservations about interest and want the yield from their investments to be characterised as a share in the profits rather than as a usurious exaction.

2 am

I also stress the advantage of the existence of a body of stock of the type that I have in mind to private pension funds. They want long-term inflation protection, are looking for some participation and are not attracted by the ups and downs in the casino of the stock exchange which has lately suffered such unpredictable changes and is geared to short-term considerations.

I hope that the idea behind my new clause will find support in the Government and that Ministers will continue to study my suggestions. I trust that they will see the value of widening the opportunities of obtaining corporate finance in London in this way, and will make the necessary changes in the impact of taxation.

Mr. Blair: The hon. Member for Kensington (Sir B. Rhys Williams) has correctly identified a problem, but I am not sure that I fully support his proposed solution.

The hon. Gentleman rightly said that there is a difficulty in borrowers getting finance at acceptable rates of interest and that the structure of the capital market is too limited and funds are provided for too short a term. Indeed, those are frequent complaints of the Opposition and they prompted many of the considerations that led my right hon. Friend the Member for Birmingham, Sparkbrook (Mr. Hattersley) to propose the establishment of a national investment bank.

I should like to make sure that I have understood the ingenious scheme proposed by the hon. Member for Kensington. It would allow companies to raise money by issuing loan stock, and the interest paid would not be treated as a dividend under section 233 of the 1970 Act, but would be allowable for the calculation of corporation tax and computed in accordance with a formula related to company performance.

Sir Brandon Rhys Williams *indicated assent.*

Mr. Blair: I am pleased that I understand it. It is a peculiar type of stock, almost a hybrid. Interest payments are normlly treated as a straight deduction from profits, whereas the dividend would be subject to ACT. If a loan stock certificate for, say £1,000 were issued, interest would be payable, but it would be calculated on a basis that took into account the profits of the company within the five accounting periods laid down in the new clause.

I hope that the Economic Secretary will tell us whether that would give a favourable tax treatment for this type of share. It must surely have an impact on corporation tax revenue. The hon. Member for Kensington has done us a service in raising the issue, but there may be better ways of dealing with the problem that he has identified.

Mr. Ian Stewart: I compliment my hon. Friend the Member for Kensington (Sir B. Rhys Williams) on raising this interesting subject. He has commented on the problems of matching borrowers and lenders, and suggests in his new clause an interesting and novel concept, which may assist companies with some problems in raising the type of money which they need and which investors will be happy to provide.

The new clause aims to ensure that interest paid on this special loan stock will be given a deduction in the same way as that paid on a bank loan, rather than treated as a distribution. I say that the clause "seeks" to ensure that payments will be treated in that way because in most circumstances that is already the case. Section 60 of the Finance Act 1982 provides that where in various circumstances interest paid is related to the company's performance and does not exceed a reasonable return, it will be treated as a deduction in the ordinary way. In the circumstances to which section 60 apply, the results which my hon. Friend seeks are already achieved.

If the principal of the loan were to be indexed to the retail price index—one of my hon. Friend's ideas—there would be a capital uplift on repayment, apart from on interest, which would be a capital item for both borrower and lender. In other words, the borrowing company could not obtain a deduction for the uplift, but the lender would be effectively exempt from tax because in most cases he would be covered by the indexation provisions. If the value added were in terms of the company's performance, an uplift would probably be treated as a distribution, subject to the provisions of section 60. In those circumstances although ACT may be payable, a deduction would be available against the company's ordinary corporation tax liability.

Since the indexation of CGT for assets without a one-year waiting period was introduced, if a company could get a tax allowance on the index uplift of borrowing, but was tax free on the disposal of an asset which had risen approximately in line with the RPI on the other side of the balance sheet, it would get double tax relief on the same increase in value. Therefore, I cannot give much encouragement that the Government will make the sort of tax regime for which my hon. Friend asks for index borrowing or other forms of borrowing where there would be a capital uplift which could be offset in part against a protected gain on the asset side of the balance sheet. I need to study the question more deeply, and to write to my hon. Friend on his technical points.

Taking into account our proposals on deep discount securities, we have ensured that companies will have considerable scope to draw on various borrowing instruments, including, with the CGT changes, index linked borrowing. I shall study the points raised by my hon. Friend, and thank him for having given us an opportunity to discuss these questions. I hope that in the light of those comments he will ask leave to withdraw the motion.

Sir Brandon Rhys Williams: I thank my hon. Friend for his helpful remarks. I recognise that the new clause, which is precisely the same as the one which I tabled three years ago and which also gave rise to a useful debate, is

defective and is not even a precise expression of what I now see as the desirable objective. I hope that on another occasion wee shall go further into the subject. I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 34

RELIEF FOR DONATIONS TO ARTISTIC CHARITIES

'Donations to bodies whose principal field of activity is in the arts and which are registered charities shall be allowable as follows:

(a donations totalling 2·5 per cent. of gross personal income shall be allowable against income tax; and

(b) donations totalling 2·5 per cent. of pre-tax profits shall be allowable against corporation tax.'.—*[Mr. Alan Howarth.]*

Brought up, and read the First time.

Mr. Alan Howarth (Stratford-on-Avon): I beg to move that the clause be read a Second time.

It is traditional that we debate clauses on the tax treatment of the arts at a late hour. That can, I hope, be taken as evidence of the seriousness of our concern about the subject. We are at least more fortunate than my hon. Friend the Member for Lewes (Mr. Rathbone) who was called at 7.50 am to speak on the equivalent occasion last year.

The new clause is intended to help the Government to strengthen their policy of plural funding for the arts. There are three main sources of public funding for the arts—grants from the Office of Arts and Libraries, administered at arm's length through the Arts Council, expenditure by local authorities, and tax concessions and incentives. The three should complement each other, but the balance is not right.

Funding by the OAL has increased by 11 per cent. in real terms since 1980-81. That is to the Government's credit, as is the fact that this year's increase approximately matches inflation. However, there is no further prospect of real increases in the OAL vote. My noble Friend said that central Government funding will remain broadly level in real terms.

That new situation gives rise to difficulties. Aspirations and costs continue to rise, but funding does not. For example, the Arts Council strategy, as set out in "The Glory of the Garden", has widespread acceptance in seeking to achieve a fair balance of support for the arts in the country as a whole. That strategy is likely to be frustrated, however, because there is is not enough money to provide new funding in the regions while preserving adequate funding in the metropolis and in the areas which up until now have received Arts Council funding.

All was relative sweetness and light among the recipients of Arts Council funding over a lengthy period when funds were growing. Now that funds are not growing there is ferocious competition and lobbying. In a fine flight of denunciatory frenzy Sir Peter Hall wrote earlier this year to the *Sunday Times:*

"The Government is presiding over the dismantling of the British arts."

He then marshalled a chorus of 50 subsidised theatre directors and, as in the "Winters Tale",

"there was casting up of eyes, holding up of hands"

That is, perhaps, an understatement. The tighter the money becomes, the tougher and more political becomes the atmosphere.

Local authorities, the second main fount of state patronage, have their legitimate part to play, but too often their part is none too legitimate. Too many cases exist of funding masquerading as funding for the arts which goes to agitprop activities. The GLC's brinkmanship over rescuing the Cottesloe theatre is an example of the arts being abused as a political platform. Too much churning goes on in local government. Money is taken away in rates and comes back in smaller sums by way of grants.

Rightly, the Government's policy is not to relax their hard-won discipline over local government expenditure so we shall not have an increase of state support through that channel.

The only channel through which additional state support might be forthcoming is taxation policy. My new clause is a response to the Government's manifesto commitment to

"examine ways of using the tax system to encourage further support for the arts and heritage."

The method of tax relief is an attractive approach in principle and has been supported by all parties, as evidenced in the Select Committee report produced in the last Parliament. To all of us in all parties who do not want the arts to be politicised, one of its great attractions is that it takes the vexed question of the totality of state support out of politics, because the amount made available to the arts in a particular year will depend upon the extent to which people avail themselves of the concessions and that cannot be known in advance. The larger the proportion of state support which is made in this way the more that will be so. I would not expect my right hon. and hon. Friends in the Treasury to be moved beyond a certain point, if at all, by this consideration, and yet the prospect of being freed from those perennial accusations of philistinism and meanness—totally without justification in their personal capacities—must hold some attraction to them.

It is unhealthy that Government subsidy provides more cash resources for the arts than private patronage. We cannot really want the arts to be a hybrid between a nationalised industry and an underfunded corner of the welfare state. The value of the existing range of fiscal concessions for the arts and heritage was estimated by *The Economist* last year at £15 million. The amount spent by the state is anywhere between £250 million and £500 million, depending on whether BBC expenditure is counted in. That is no sort of balance.

We must encourage private patrons. All great patronage has been private. The Tate gallery owes its existence to Sir Henry Tate, Lord Duveen and Sir Charles Clore. The National gallery was founded privately and three quarters of the pictures in it owe nothing to state patronage. It is about to enter a magnificent new phase thanks to the prodigious generosity of the Sainsbury family and Mr. J. Paul Getty junior.

2.15 am

It is profoundly encouraging that patrons are again coming forward on a significant scale. We must widen and consolidate the base of private artistic patronage. We need a better balance between public patronage, exercised by a handful of people of acknowledged judgment to whom we should be grateful, and the wishes of individual lovers of the arts. We also need a better balance between concern for the heritage, concern for the prestige items and the prestige institutions, and local manifestations of artistic life and enthusiasm which are the seedbed of new

[Mr. Alan Howarth]

generations of art. The best way for the state to help secure local cultural vitality is to give financial encouragement to individuals and firms through the tax system.

During my study of this subject, I have received letters from people working in the unsubsidised theatre. They are moving and persuasive and record a passionate relationship with theatregoers as opposed to local authority arts sub-committees. We could take an important step towards helping local theatres, museums, galleries and craft centres by giving fiscal support to their friends and patrons. Tax reliefs would result in more money becoming available to the arts overall. Whereas a grant is a single payment, a tax relief materialises only as other money is given.

More money is needed for the arts. Our museums, theatres and gallieries are chronically underfunded. As the Government frankly, but with an unnecessary air of gloomy finality, admitted in the Office of Arts and Libraries' reply to the Select Committee report:

"it is unlikely that any Government will find itself able to provide the arts with the level of public funding which would enable all artists and arts organisations to fulfil all their hopes and ambitions."

Following the Priestley report and its acceptance, public support even for the Royal Opera House and the Royal Shakespeare company has begun to erode again. The cost of maintaining artistic establishments of the highest calibre by world standards, such as the Royal Opera House and the RSC, is determined in large measure by the purchasing power of the wealthiest countries. The cost to our great museums and galleries of maintaining and updating their collections can only rise as masterpieces become more scarce and as new sources of wealth enter the market.

Sponsorship has recently come to the rescue to a considerable extent encouraged with admirable vigour and enthusiasm by my noble Friend. The Government's will and capacity to stimulate sponsorship by matching grants will, however, reach its ceiling, perhaps before long, and businesses' will and capacity to sponsor will also reach saturation point. There are limits to how much can be achieved by treating the arts as an adjunct of public relations. Officials at the Inland Revenue are not alone in being sceptical about that. In the meantime, it is pleasant to think of those officials attending concerts and exhibitions to verify that business patronage is, in the formula,

"wholly and exclusively for the purpose of trade",

but it is a fairly cumbrous way in which to proceed.

Other countries are increasingly allowing individuals and firms to offset some proportion of their pre-tax income against donations to the arts. In the United States the system has been established for as long as there has been income tax with the result that people and corporations give generously to the arts. It is an important and healthy fact that more than 80 per cent. of the support for the arts comes from private individuals who are encouraged to give through income tax concessions. It is well established in Germany that people can set off part of their tax liability by making donations to the arts. Similar arrangements have been established in Italy and France, and I have a leaflet from Australia which was published earlier this year, setting out with admirable clarity and succinctness the rules governing taxation incentives for the arts.

The arts in this country are admired by every other country and it is unimaginable that we should allow the arts to starve. The Government are not quite so severely economically minded in this or other areas as they make out. The Government have been praised for allocating a once-for-all sum of £3·5 million plus £4·1 million annually for the Priestley recommendations, £8 million for Calke abbey and £25 million for Kedleston hall, Weston park and Nostell priory. The Government must find the money. Sensible limits have to be set on the concessions allowed, taking account of the condition of the economy and the Exchequer, but our regular support for the arts must be improved. That improvement can only be provided on a significant scale by tax concessions. I suspect that that view is supported by the Arts Council.

In a thoughtful lecture on the political economy of the arts in March, Sir William Rees-Mogg said:

"looking to the future, I am not sure that I would not prefer cutting out taxes on the arts to raising subsidy in real terms . . . I would prefer to reduce our clients' dependence on the Arts Council by cutting taxes on arts rather than by increasing subsidy —and I welcome tax cuts for the unsubsidised arts."

In the debate initiated by my hon. Friend the Member for Mid-Sussex on the Finance Bill last year, my right hon. and learned Friend the Chief Secretary said:

"this Administration will always be astute to see that the tax system is sensitive to the preservation of this country's remarkable cultural heritage." — [*Official Report*, 11 July 1984; Vol. 63, c. 1261.]

That remark is justified by the Government's record. Relief from capital transfer tax has been introduced on gifts to charities and the minimum period for convenants has been reduced to four years. In this Finance Bill higher rate tax relief on covenants has been doubled and a valuable concession has been introduced for heritage land. The Government have enlarged the scope for private tax concessions on donations, but it would not be unrealistic to say that there is a palpable reluctance on the part of Treasury Ministers to embrace that policy.

In the debate last July my right hon. and learned Friend the Chief Secretary observed that the cost of the American system in tax forgone was about $9·6 billion per year. I suspect that he was making more of that than he should have done. In America, the share of total philanthropic giving attracting tax relief which goes to the arts and humanities is 6·3 per cent. according to the 1983 annual report of the American Association of Fund-Raising Counsel.

In the Office of Arts and Libraries' reply to the Select Committee the Government raised the further objection that to exempt companies and individuals from tax in respect of donations to the arts would be a concession which it would be difficult and inequitable to confine to the arts. That is not an impressive point. The arts are qualitatively distinct from other areas of our national life in which tax concessions also exist or are urged, having nothing in common with housing, pensions and so forth, and can be treated distinctly. The Government are in charge and are quite used to making administrative distinctions of that kind.

The Government need not fear some enormous, open-ended cost. The net outcome for the Exchequer would be at worst little loss and possibly even a gain. The performing arts and many other arts and heritage activities are relatively labour-intensive. The effect of the tax concessions would be to increase employment in that area so that the Government would save the cost of

unemployment benefit and would instead receive income tax and national insurance contributions as well as VAT and other revenue from the resulting higher level of activity.

It is a vulgar solecism and pardonable, if at all, only in a Finance Bill debate at an obscure hour of the morning, to justify support for the arts in terms of benefits to tourism. As we are talking in a financial context, however, it is perhaps fair to observe that tourism can be expected to be a significant source of earnings for this country and therefore of tax revenue. I know that my right hon. Friend the Minister of State values the arts for their own sake but I appeal to him in his ministerial capacity.

My right hon. Friend may also be worried in his ministerial capacity about some of the abuses of tax relief for the arts which have caused concern in the United States. He will, however, have noted that the thrust of the present United States Administration's approach is not to attack the principle of relief for the arts but to tackle the abuses. Overall, the American system has worked wonderfully well as a civilised and enriching influence for donors and the wider public alike, and it would be for us to develop a system suited to the specific circumstances of this country.

I recognise that a major departure of principle would be involved in acceding to my proposal and I do not ask my right hon. Friend to do so today. However, in a period in which the Government are giving fundamental consideration to the pattern of taxation in this country I urge them to give further constructive consideration to the question of tax relief for the arts with a view to including options for consideration in the Green Paper on personal taxation that my right hon. Friend the Chancellor has promised.

Mr. Terry Davis: I agree with the hon. Member for Stratford-on-Avon (Mr. Howarth) that it is a late hour to initiate a debate on financial arrangements for the arts. I also agree with him about the importance of the arts, but I cannot agree with the thrust of his argument about what he would describe as desirable financial arrangements for artistic activity in this country.

I do not believe that the hon. Gentleman made it clear in his speech that there are already some tax subsidies for the arts in the sense that tax relief can be given on covenants in favour of charities involved in artistic activities of the kind that he described.

Mr. Alan Howarth: I said that the value of existing tax concessions was about £15 million per year. That figure certainly includes relief on covenants.

Mr. Davis: The hon. Gentleman should not be so sensitive. I did not say that he did not mention it. I said that he did not make it clear. He did not put proper emphasis on the fact that there is already subsidy from taxation in the tax relief allowed on covenants. He now proposes that there be tax relief for one-off donations to artistic charities.

In his useful analysis of existing financial arrangements for the arts, the hon. Gentleman welcomed the increase in Arts Council grants. That, at least, is progress, as I believe that I recall him criticising the financial grant to the Arts Council in a previous debate on public expenditure and even calling for a reduction in public expenditure through the Arts Council.

Mr. Howarth: It is useful to clarify what happened in that debate. The hon. Gentleman will recall that the debate was cut short by a timetable. I was developing the point that in my view there was merit in moving to a different balance between direct grant for the arts and state support for the arts by way of fiscal concessions of the kind for which I have argued today. I certainly did not suggest wholesale withdrawal of state support for the arts as the hon. Gentleman perhaps supposes.

Mr. Davis: The debate was not cut short by a timetable. I am prepared to accept that the hon. Gentleman may have felt that he was under some pressure from the Patronage Secretary and other close colleagues to cut short his remarks, but he cannot complain that he was cut short by the Opposition and there was certainly no timetable. Nevertheless, I am glad that the hon. Gentleman has had the opportunity to clarify his position, which I am sure will be of interest in his constituency of Stratford-on-Avon, which is so dependent on the Royal Shakespeare theatre as the basis for a great deal of its tourism.

The hon. Gentleman cannot deny that in a previous debate he criticised the amount of expenditure by the Arts Council, but today he has welcomed increased expenditure by the Arts Council. He may argue that on that earlier occasion he would have gone on to argue that the reduction in Arts Council expenditure that he sought should be compensated by private expenditure encouraged by tax concessions, but that does not justify his arguing on that occasion for a reduction in expenditure by the Arts Council and then welcoming an increase on this occasion. The hon. Gentleman is trying to have it both ways. He cannot have his cake and eat it as well.

2.30 am

It is also somewhat ironic that the hon. Gentleman should then touch on the second source of finance for the arts — local government. The amount of funds made available by local government for the arts is under serious threat as a result of the government's policies, which he supports. They are under threat from the abolition of the metropolitan county councils. I at least have received many representations from bodies interested in the arts in the west midlands, about their fears for the funding of arts there as a result of the abolition of the West Midlands county council. Others have received representations from other bodies that are concerned about the arts in other metropolitan counties. Rate capping and everything that goes with it is putting pressure on funding for the arts from the district councils.

The third source of funding for the arts that the hon. Gentleman mentioned is the one source that finds favour with him. He argues that state funding for the arts is a bad thing. He seems to think that private funding is a good thing because, if the funds come from private sources, the arts will not be "politicised". That is the word that he used.

Mr. Alan Howarth *rose*——

Mr. Davis: I am happy to give way. The hon. Gentleman should make his position clear.

Mr. Howarth: I am immensely grateful to the hon. Gentleman. My argument was that state support for the arts should come from three sources — direct grants through the Arts Council, local authority expenditure and fiscal concessions. Those are three different varieties of positive state support for the arts.

Mr. Davis: The hon. Gentleman told us that the advantage of his third source was that the arts would not

[Mr. Davis]

be politicised, as happened with state support. Those are the words that he used, and we shall read them tomorrow in *Hansard*. He referred specifically to politicisation of the arts, as happens with state support. Now he is arguing that there should be three sources of state support.

Mr. Howarth: I am grateful to the hon. Gentleman for giving way. I am anxious not to be misrepresented. My observation was that when the state is trying to determine the total amount of money that should be available for the arts, it brings the arts into a political arena with the unfortunate consequences that I described. The attraction of having fiscal reliefs for the arts is that no one can know what the total will be, and therefore no one can complain that the Government have been too parsimonious, too mean, or have not given enough.

Mr. Davis: The hon. Gentleman can wriggle as much as he likes. He complained that state funding for the arts leads to politicisation. Via a long-drawn out route no doubt he will tell us, but that was the phrase that he used. He cannot get away from it. He had written it down carefully in the notes that he read, and we shall make sure equally carefully that it is written down in *Hansard* tomorrow.

As an expert opinion to support his point of view, the hon. Gentleman referred to an address given by Sir William Rees-Mogg. All parties in the Opposition do not regard Sir William Rees-Mogg as an independent political commentator on our scene. We do not take his views as in any sense independent. Certainly in the Labour party, and, I suspect in other parties in the Opposition, we would view with some apprehension the possibility of politicisation of the arts as a result of private sponsorship. I would not expect businesses in the City of London to provide funds for artistic endeavours that tended to criticise the establishment, particularly the economic system. To argue that state support leads to politicisation, but private funding encouraged by tax relief does not, is a serious mistake in a discussion of the arrangements for funding the arts.

I do not agree that all great patronage is private patronage. I hope that the hon. Gentleman will agree that I am quoting him correctly this time, because I wrote down those words as he said them, too. He referred to developments on the continent. My impression of what happens abroad is affected by my experience in the United States of America and the continent of Europe. I have a distinct impression that in other western European countries there is a great deal more state funding of the arts than in this country. Many European theatres, opera companies, museums and art galleries, which have given me great pleasure, are funded by state funds, either local or national. I should tell the hon. Gentleman that I have great respect for the National Theatre and the Royal Shakespeare Theatre. I do not yield to him in my respect for the latter, and I speak as someone who was brought up and lived for most of his life in the west midlands. The Royal Shakespeare Theatre depends upon a subsidy from the Government, through the Arts Council, and to argue that all great patronage is private patronage is certainly nonsense in Stratford-on-Avon, where I used to live.

On occasion, I have derived great pleasure from performances by visiting artistes from the Soviet Union. I have no great admiration for the system in the USSR, but I recognise that it has achieved high levels of performance in artistic activity. One cannot argue that all great patronage is private patronage when one considers what has been achieved in the Soviet Union, much as I dislike its economic system and lack of civil liberties. I do not agree with the thrust of the hon. Gentleman's arguments.

The hon. Gentleman argued that, in some way, funds for the arts are different from funds for other activities. Again, I cannot agree with him. It is inconsistent to argue that there should be special arrangements for donations by businesses or individuals to the arts but that those arrangements should not apply to donations by those same businesses and individuals to sporting activities, or to charities engaged in looking after the welfare of the disabled, children or the elderly. Many hon. Members would argue that such tax relief should be given on donations to charities engaged in animal welfare and other activities which we favour. I do not understand why the hon. Gentleman singled out the arts from all the charities that we would wish to support.

The hon. Gentleman argued that expenditure on the arts is labour-intensive, and that tax relief on donations to the arts would reduce unemployment. Those are strange comments from an hon. Member who, earlier this evening, voted against a much smaller amount of money being used to provide tax relief for workplace nurseries.

Mr. Barney Hayhoe: My hon. Friend the Member for Stratford-on-Avon (Mr. Howarth) asked me at the end of a wide-ranging speech for an assurance that the Government would give further constructive consideration to these matters. I gladly give him that assurance.

Mr. Alan Howarth: I am grateful to my right hon. Friend. That being so, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 38

STAMP DUTY

'In subsection (5) of section 47 of the Finance Act 1973 for the words "stamp duty of £1" there shall be substituted the words "stamp duty of NIL".'.—*[Mr. Neil Hamilton.]*

Brought up, and read the First time.

Mr. Neil Hamilton: I beg to move, That the clause be read a Second time.

The new clause is in my name and in that of my hon. Friend the Member for Croydon, South (Sir W. Clark), who has sensibly departed. Its purpose is simple, and I promise to detain the House for no more than one minute. It eliminates capital duty, which is a form of stamp duty, now governed by European law. It is imposed on new share capital on the formation of a company or on later increases in its issued share capital.

United Kingdom business and its counterparts in Europe have been urging the abolition of that duty for some time, because it is an impediment to the growth of business. Although the Government support that aim, they argued that they were constrained by EC rules and were, therefore, unable to accede to requests to abolish the duty. However, on 10 June this year, at the Internal Market Council a directive was adopted allowing member states to fix the level of duty at between zero and 1 per cent. At present, in British law, it is a compulsory 1 per cent. Therefore, member states which wish to abolish the duty

completely are authorised to do so. I hope that my hon. Friend the Economic Secretary can confirm that the Government will now act to abolish the duty.

Mr. Ian Stewart: My hon. Friend the Member for Tatton (Mr. Hamilton) was right to draw attention to the position under the new directive on stamp duty, but I am sure that neither he nor any other hon. Member would expect me on the Government's behalf to accept on Report a new clause with a cost of £80 million or more—five or more times the cost of the stamp duty package that we debated earlier. Any decision on the future of the tax would only be taken in the context of budgetary considerations. The case for a reduction in or abolition of the rate of duty would have to be considered alongside any other tax reduction proposals as a matter of priority.

My hon. Friend has performed a useful service in drawing our attention to the fact that there is stamp duty on capital raising and that there are arguments for suggesting that it may be an impediment. No doubt, this is a matter of which we should take account at a suitable occasion in the future.

Mr. Terry Davis: The amount of stamp duty may be regarded as an "impediment" on raising money through the market, but it can be argued also that fees charged by accountants, lawyers, merchants and other who take part in a share issue—

Mr. Neil Hamilton: They provide a service.

Mr. Davis: Those charges can also be regarded as an impediment to raising money through the market. I do not expect the hon. Member for Tatton (Mr. Hamilton) to agree with me—he is in favour of those people; we are not.

Mr. Hamilton: By leave of the House, I do not propose to rise to the bait offered by the hon. Member for Birmingham, Hodge Hill (Mr. Davis). Having heard what my hon. Friend the Economic Secretary said, I hope that we shall return to this matter on another occasion. I therefore ask leave of the House to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 43

RELIEF FOR EXPENDITURE ON ELIGIBLE SECURITIES

'(1) This section has effect where an individual, who throughout a year of assessment is resident in the United Kingdom, incurs expenditure on acquiring eligible securities.

(2) For the purposes of this section eligible securities consist of:—

(a) shares or stock which at the time acquisition by an individual to whom the provisions of this section apply (or, if later, on 5th April 1986) form part of the ordinary share capital of a company resident in the United Kingdom and are quoted on a recognised stock exchange; and

(b) units in such authorised unit trusts as the Board may by regulation prescribe.

(3) An individual to whom the provisions of this section apply and who has, in any year of assessment, incurred expenditure on acquiring eligible securities may, by notice in writing given within six months after that year, make a claim for relief from income tax on an amount of his income equal to so much of such expenditure as does not exceed £500.

(4) The Treasury may by order made by statutory instrument increase the amount of £500 in subsection (3) of this section to such amount as shall be specified in that order.

(5) The following provisions shall have effect as respects relief under this section—

(a) the amount of any expenditure in respect of which a claim for relief might otherwise be made under this section as regards any year of assessment shall be reduced by the aggregate amount of the proceeds of any disposals of eligible securities made during that year by the individual concerned;

(b) in the event that an individual to whom relief has been given under this section as regards any year of assessment disposes of eligible securities in any subsequent year of assessment (being a year of assessment ending on or before 5th April 1986) and does not in such subsequent year of assessment incur expenditure on acquiring eligible securities in an amount equal to or exceeding the proceeds of all such disposals, then he shall forfeit so much of such relief as is equal to the amount by which such expenditure falls short of such proceeds, or, if there is no expenditure so much of such relief as is equal to such proceeds;

(c) a claim for relief may require it to be given only by reference to the income of the individual without extending to the income of his spouse;

(d) subject to paragraph *(c)* above, relief shall be given by treating the expenditure as reducing first the earned income of the individual, then his other income, then the earned income of his spouse and then his spouse's other income;

(e) the relief shall be given in priority to relief under section 168 of the Taxes Act or section 30 of the Finance Act 1978.

(6) Where the Board is of opinion that any acquisition or disposal of eligible securities which is material for any of the purposes of this section is not at arms' length and accordingly directs that this subsection shall apply, then for the purposes of this section there shall be substituted—

(a) in the case of an acquisition of eligible securities, for the expenditure on such acquisition; or

(b) in the case of a disposal of eligible securities, for the proceeds of such disposal; the market value of such securities at the time of such acquisition or disposal.'.—*[Mr. Kirkwood.]*

Brought up, and read the First time.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I beg to move, That the clause be read a Second time.

The provenance of the new clause was provided by the speech made by the Chancellor on 11 June 1985 at the Maurice Macmillan memorial lecture, which he delivered to the Wider Share Ownership Council in the Grand Committee Room. The terms of the new clause are neither original nor entirely new to the House. In 1981 my hon. Friend the Member for Colne Valley (Mr. Wainwright) introduced a similar measure. The idea behind the new clause was pioneered in France, where the scheme has been in operation for some years. The scheme has been extended to Belgium, Sweden and Norway. It has found great favour abroad and has produced economic and financial benefits in other European countries. I suggest that it has friends not only abroad but in the House, including Conservative Members.

The scheme involves giving tax relief on acquiring securities in certain circumstances. The details of the maximum limit to the amount of relief in the period of the tenure and the other terms of the scheme would all be open to negotiation and discussion. The key feature is that the money that would be granted relief would be wholly additonal investment. Life assurance and pension funds have tax advantages — why not equity acquisition as well? Tax neutrality is a worthwhile goal at which to aim, but in today's fiscal conditions why not have an element of equity purchase too?

[Mr. Archy Kirkwood]

The main purpose of the relief is to arrest and reverse the tide of investment in corporate form, in contradistinction to the sad decline in the personal sector of investment. Under the heading "Wider Share Ownership" the Chancellor said:

"In the 1950s, for example, private investors accounted for two-thirds of all transactions on the Stock Exchange. The proportion is now probably below a quarter. And until very recently the decline was accelerating. The proportion of UK shares owned directly by individuals fell from 37 per cent. in 1975 to 28 per cent. by the end of 1981."

The opportunity is there for the Government to do a great deal more to encourage the private sector to return to the stock market. I accept that they have done something by reducing stamp duty and that a certain amount has been done under the employee share ownership scheme, but a scheme of the sort that is proposed in the new clause would produce a great increase in turnover in the stock market and would lead to a strong market performance in future. I urge the Government strongly to consider the scheme.

2.45 am

Mr. Wrigglesworth: As my hon. Friend the Member for Roxburgh and Berwickshire (Mr. Kirkwood) has said, the new clause is an attempt to implement in the United Kingdom a scheme to encourage share ownership purchase similar to that pioneered in France by Rene Monory in 1978. The French scheme was subsequently amended by Mr. Mitterrand's Minister, Mr. Delors. As my hon. Friend said, such schemes have been introduced with considerable success in other European countries such as Belgium, Sweden and Norway. A similar scheme is proposed in the Netherlands.

The Government might claim that their privatisation programme will lead to much wider share ownership, but that is questionable. The extensive programme of asset sales — it is estimated to average about £2·5 billion annually for the next three years — will not necessarily build a large base of private shareholders. By comparison with the United States or Japan, the British record of individual shareholding is poor. Less than 4 per cent. of individuals in Britain hold shares compared with almost 20 per cent. in the United States and almost 17 per cent. in Japan. Even the 8 per cent. of the adult population to which share ownership in Britain rose as a consequence of the BT flotation has fallen to 7 per cent. as a result of subsequent share disposals.

The unprecedented campaign and the incentives to attract small investors may again be emulated by the sale of British Gas but it will be hard to sustain in future issues. The evidence of British Aerospace is not encouraging. Of the 44,000 who held up to 99 shares each on that sale immediately after flotation, only 3,279 remained a year later. That was a staggering reduction. Of the 80,000 who held between 100 and 500 shares, only 13,000 remain. The total number of shareholders fell in a year from 157,829 to a mere 27,175. It will not be until the end of the voucher incentives for the larger shareholders in BT — those who hold 3,000 shares or more — that a full picture of the concentration of share ownership in BT will become possible.

It is clear that the take-up of employee share options in the privatised companies has been extremely limited. A parliamentary answer on 9 January gave the proportion of shares held initially by employees. It was 3·6 per cent. in British Aerospace, 1·4 per cent. in Cable and Wireless, 3·7 per cent. in Amersham International, only 0·1 per cent. in Britoil, 4·3 per cent. in Associated British Ports, 0·03 per cent. in Enterprise Oil, 1·3 per cent. in Jaguar and 1·9 per cent. in BT. These are minute percentages of the employees.

Even though the privatisation programme has not yet resulted in wider share ownership and employee share ownership on the scale that was claimed for it, it has undoubtedly kindled interest in the concept of share ownership among many who would not previously have contemplated it, and that is to be welcomed. The number of employee share ownership schemes approved by the Inland Revenue since the fiscal incentives were promoted in the Finance Act 1978 has grown impressively from 33 in 1979-80 to about 433 now. There are nearly 800 if employee share ownership schemes are included. It shows a substantial growth on the basis of the scheme introduced in 1978 that bears some resemblance to this new clause.

Even if these schemes can be viewed as a form of deferred profit sharing, like other forms of wider share ownership they are transforming the character of the market economy and conferring the benefits of capital ownership upon a wider number of people than entrepreneurs and those who are fortunate enough to have a substantial accumulation of capital. The time is opportune to provide incentives through the tax system to give a new impetus to these developments and to stimulate the rapid growth of an industrial third force, the co-operative sector, and radical innovations such as employee buy outs to revive companies which have failed through incompetent management rather than through adverse market conditions.

The new clause would build on the modest take-up of the 1978 profit-sharing scheme which, although it started well, still covers fewer than 2 per cent. of employees. It provides the framework for stimulating these developments as well as boosting the equity base of companies and stimulating savings. It would help us to move away from the inbuilt discrimination in the taxation system which channels 70 per cent. of our savings into safe institutional investment in building societies, insurance companies and pension funds, compared with only 50 per cent. in the United States.

The variants on the Loi Monory scheme and the Delors scheme which have been introduced in Europe have helped to promote an inflow of cash which, according to the *Investors Chronicle*, has been an important factor in limiting the extent of market setbacks and contributing to a further substantial rise in prices. The introduction of schemes such as that contained in new clause 43 has taken place in combination with the creation of equity funds, which in Sweden showed a phenomenal growth from £13 million in 1979 to £165 million in 1983 and made a significant contribution to the buoyancy of the Swedish stock market.

The potential for employee shareholding schemes is at present strictly limited by the requirements of the institutions' protection committees: that not more than 5 per cent. of a company's pre-tax profits can be used in any one year and not more than 1 per cent. of issued share capital can be subscribed in any one year. For a large British company with a turnover of £1 billion, a capitalisation of £200 million and profits of £50 million this would mean that no more than £2·5 million of equity could be purchased annually. It would take 20 years to

build up an employee's stake of as much as 20 per cent. This is a most regrettable state of affairs. By accepting the amendment the Government should take this opportunity to review the obstacles that stand in the way of wider share ownership. We hope that the Financial Secretary will respond to that opportunity.

Dr. McDonald: I listened carefully to the speech of the hon. Member for Stockton, South (Mr. Wrigglesworth). He referred to employee share ownership schemes and to the promotion of co-operative share ownership. The Opposition might view the new clause with more favour if that was the purpose of the new clause, but it does not limit tax relief for employees or co-operative share ownership. Tax relief is to be made available to individuals and the maximum relief to be made available will be £500. However laudable its aim might be, the new clause provides yet more relief to those who already have. Even though the maximum amount of money that can be invested in shares in any one year is limited to £500, this comparatively small amount is beyond the means of many people. This would not be our first choice when considering how tax relief should be distributed.

Secondly, the richer the investor and the higher his rate of tax the more this relief is worth. Neither the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood), who moved the new clause, nor his hon. Friend the Member for Stockton, South gave an estimate of its cost. I hope that the Economic Secretary will refer to it so that we may have some idea of the size of the give away that the new clause envisages.

Mr. Ian Stewart: I compliment the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) on his patience in batting last in the order but on having nevertheless instituted an interesting debate at this hour on the proposals in the new clause, and his hon. Friend the Member for Stockton, South (Mr. Wrigglesworth), who spoke of the wider share ownership aspects.

I have considerable sympathy in principle with proposals which promote wider share ownership by individuals and which encourage investment in British industry. The record of the Government on wider share ownership is good. But with regard to investment in United Kingdom industry, we have felt it more appropriate to target relief for new investment where it is most needed —for example, through the business expansion scheme.

The hon. Member for Stockton, South referred in particular to the example of the Loi Monory, but the situation in France is, and has been, different from that in our stock market. One of the objectives of the French scheme was indeed wider share ownership, but they also wanted to strengthen their stock market and improve the capital base for French companies, which was much less developed than that in the city. They wanted to reduce the gearing of companies and provide funds for additional investment. It is not on all fours with the position in the United Kingdom.

The other French objectives, other than wider share ownership, are less relevant for us because of our larger stock market. They also have a different tax system in France and it is not possible, therefore, to make a direct comparison with that country, nor with the other countries mentioned in the *Investors Chronicle* article. Some of the growth in the stock markets of those countries has been due, in any event, to the increase in foreign investment.

The first questions to ask about the new clause are, as the hon. Member for Thurrock (Dr. McDonald) said, the cost and whether such a provision would represent a sensible use of those resources. We calculate that for every 1 million cases, the tax relief would cost about £150 million. It is not possible to predict in advance how many people would take advantage of such a scheme, but I have given the round figure of about £150 million.

The trouble is that such investment would not be wholly additional. The expectation is that, at least in the first year, and probably in other early years, much of the cost would derive from switching by people who already have share ownership. It would be bed and breakfast; they would sell and re-purchase or sell one and buy another. It would be difficult to isolate individual purchasers in that way.

Mr. Gerald Bermingham (St. Helens, South): Does the hon. Gentleman agree that, as a result of the Budget, bed and breakfast has become legal again?

Mr. Stewart: Bed and breakfast has never been illegal. It has sometimes been easier and sometimes less easy to do. It seems to be an ordinary stock exchange operation. I am not suggesting that we should provide an opportunity for it, with heavy cost to the taxpayer, which would not bring substantial funds into the market for the reasons that I have given.

It was pointed out that similar new clauses were debated four or five years ago. I am afraid that hon. Members will have recognised that the arguments that I am adducing are similar to those which may have been used on those occasions. I have sympathy with the objectives of the new clause, though I do not believe that this would be the way to achieve them, and the considerations that were put forward four of five years ago still apply. For those reasons, I cannot commend the new clause to the House.

Mr. Kirkwood: I refute everything that the Minister said about the application of the Loi Monory, but perhaps we should go there and investigate the position. I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

Further consideration adjourned. — *[Mr. Archie Hamilton.]*

Bill (not amended in the Committee, and as amended in the Standing Committee), to be further considered this day.

Isles of Scilly

Motion made, and Question proposed, That this House do now adjourn—*[Mr. Archie Hamilton.]*

3 am

Mr. David Harris (St. Ives): Even at 3 o'clock in the morning I warmly welcome the opportunity of raising the problems facing one of the most beautiful parts of the country, the Isles of Scilly. In doing so, I thank my hon. Friend the Minister for agreeing to reply to this debate, because it has had a change of title. My original intention had been to raise the problem of electricity charges on the Isles of Scilly, but because of a pending court case it was thought that this might be sub judice. With the Minister's agreement I have now brought forward the debate on the general problems of the Isles of Scilly.

Those problems are deep-seated and long-standing. To many holidaymakers enjoying themselves in the Isles of Scilly these islands must seem like paradise, but they are a paradise with real problems. I hope to touch on some of those problems straight away, but before doing so perhaps I could call in aid no less a person than HRH Prince Charles the Duke of Cornwall, who last year wrote a foreword to a very comprehensive study carried out by Graham Moss Associates into the economy and the development of those isles. In his foreword Prince Charles pointed out that the islands have a unique environment which is enjoyed by many thousands of people each year. He went on to say:

"However, in recent years, economic pressures have become more intense and the Islands' economy has become more fragile."

These islands, five of which are inhabited with a population of just under 2,000, are some 30 miles west of Land's End and they rejoice, perhaps quite rightly to an extent, in the title "the fortunate islands". But, as I have said, there are real and long-standing problems. The cost of living on the islands is appreciably higher than on the mainland in many regards. It was calculated last year, in the Graham Moss report to which I have referred, that probably the cost of living on Scilly is 10 per cent. to 35 per cent. higher than on the mainland. Even if one excludes housing costs, which are exceptionally high, the cost of living is probably 8 per cent. to 12 per cent. higher than on the mainland. This extra cost springs in part from the difficulties of transportation. Practically everything consumed on the island has to be brought, normally on the ferry, from Penzance, some 40 miles away, or by helicopter; and there is now a Skyvan service to the islands.

Similarly, all the produce grown, the flowers and the early potatoes, has to be transported to the mainland. The difficulties are compounded if one happens to live on one of the four off-islands, because normally there is that extra leg of a journey from the main island, St. Mary's, to the off islands. It is not a question only of freight. It is also a question of passengers. This is a considerable burden on holiday trade because fares are a very big component of any holiday on the Isles of Scilly and also for islanders themselves when they go to the mainland.

Perhaps I should point out that the Government's recent changes in student travel grant arrangements particularly hit the islanders and, whereas a £100 grant might be quite reasonable for somebody living on the mainland fairly near to his university, for someone who has to travel from the Isles of Scilly that initial leg of the journey before he gets to the mainland is very expensive.

I must not stray too deeply into the vexed question of electricity. However, the islanders have had a 14 per cent. increase in electricity charges this year, whereas the other consumers of the South-West electricity board, on the mainland, have had an increase of under 7 per cent. The charges for electricity on the islands are 37 per cent. higher than on the mainland.

Housing is another very big item of expenditure, and it is difficult to build houses on the islands. The sites and the water and other services are not available, and any properties that become vacant are immediately snapped up for holiday homes or, in some cases, for people coming from the mainland to live. We all know that a distinguished former Member and former Prime Minister lives for part of his time on the island, and is welcome there. He has on many occasions spoken up for the islanders.

Water is a big problem on the island, as is refuse disposal, which has been a major headache over several years. The difficulties continually impinge on the two main industries that sustain the economy of Scilly—tourism and horticulture. I would hate to give the impression that all is gloom. When some two years ago I had the honour to become the Member for St. Ives—my constituency includes these islands — I was worried about their economy. There has been a general upturn in the tourist trade. This year, as well, growers have done reasonably well with their daffodils and potatoes. The islands have considerable strengths. They have a versitile and talented population. I am always struck by the amount of talent — particularly among the young people who have come back to Scilly after a spell on the mainland —by their enterprise, and the way in which they are tackling the problems of the economy.

The Island Council has recently been restructured and an environmental trust has been set up, partly due to Prince Charles's interest in the matter, and there is the project for the extension of electricity to the off-islands, which is being carried out now. That is perhaps one of the biggest developments in the history of Scilly. It has given some uplift to the morale of the islanders.

However, the problems have been there for many years. It would be wrong to say that everything is all right with Scilly, and we need do nothing more. That is rather the traditional approach of successive Governments. They have rather waited for a crisis to hit the islands—be it replacement of the Scillonian, the ferry that linked the mainland to the islands or, quite recently, the threat of the possible closure, for financial reasons, of the islands' airport.

When these crises have arisen, the Government have normally responded, although they may have taken some time to do it. The time has come to try to get away from this rather piecemeal approach to dealing with these deep-seated problems.

What really rankles among my constituents on the islands is the difference between the policy that is handed out to them and that for their counterparts in the Scottish islands. For example, the ferry services to the Scottish islands are heavily subsidised from Government funds.

On electricity charges, the Scottish islanders are in the happy position of paying the same tariff as the consumers on the mainland. Here is the big difference between the

treatment given to the Scottish islanders and the treatment which the islanders of Scilly receive. That is grossly unfair to the islanders I represent. I have just been refreshing my memory by looking back through Hansard while we were discussing this year's Finance Bill. In the 1953 Finance Bill the Conservative Government in which Mr. Rab Butler was Chancellor decided that in future income tax should be paid by the islanders. They had escaped it up to that point. The islanders were subsequently made to pay excise licence duty and road fund licence duty.

In recent years the Government have argued that the islanders must be treated in the same way as everyone else in the United Kingdom. My complaint is that in the matters of transport and electricity they are not being treated in exactly the same way as the rest of us who live in the United Kingdom. That is unfair and I hope the Government will direct their attention to those problems.

I can understand the reluctance of the Government to give operating subsidies, be they for a ferry service or for electricity. At the moment there is a subsidy towards electricity, although it is paid for by consumers in the area of the south western electricity board on the mainland. I can understand the Government's reluctance to go down the path of operating subsidies, but if they are not going to go down that path, then they should give some other compensating payments to the islanders. To a certain extent they do, and I have no doubt that my hon. Friend the Minister will say something about rate support grant. I would be the first to acknowledge that the islanders have been treated quite well in that respect. But there is a case for doing more.

One imaginative idea which has been put forward is that the islands should be made a duty-free zone. That would certainly help the tourist trade, but there are other ways of helping the islands. For example, the very energetic branch of the National Farmers' Union on the island put forward and pressed for a long time a shopping list of measures which would give the island's growers some real benefit from their recently won status as a less favoured area under European Community policies. I hope the Agriculture Ministers will look at that in detail.

A programme has been drawn up with the European Community in connection with capital and other development projects using largely European funds. The trouble here is that the Government have shown a marked reluctance—I must say this—to provide their share of the finance needed to carry out integrated development operations. I hope that the Government will have a serious look at this matter because from my past experience as a Euro MP for Cornwall and Plymouth, when I was deeply involved in this matter in the early stages, I know that the Commission is eager to do something along those lines for the islands.

Some years ago, I arranged to take the director for regional policy from the Commission in Brussels to the islands. He saw the problems for himself, and the Commission is very receptive to the idea of a development programme for the islands for which the Commission of the European Community would probably provide over 50 per cent. of the necessary finance.

A considerable amount of work needs to be done, particularly on water supplies and the quays for the off-islands to allow inter-island launches to get to the off-islands much more easily than at present. A range of imaginative proposals were included in the report to which I referred earlier.

My plea is that the Government should take a hard look at Scilly and not wait for the next crisis, which could come any day. We must try to get the economy of the islands on a much sounder basis. Prince Charles said in the foreward that I mentioned earlier that he hoped that it would be possible for the islands to move towards a more secure and prosperous future. That is certainly my wish.

3.16 am

The Parliamentary Under-Secretary of State for the Environment (Mr. Neil Macfarlane): I endorse the final comments of my hon. Friend the Member for St. Ives (Mr. Harris). I am sure that we both share those aspirations.

I am grateful to my hon. Friend for bringing these issues to the attention of the House. It is easy to forget—or for many to realise — the many problems faced by the inhabitants of our offshore islands; everyday matters which, on the mainland, we take for granted, such as easy transport links, electricity and other services. We would all do well to reflect that the Scilly Isles are rather further from the coast of England than the continent of Europe. My hon. Friend ably represents these distant parts of his constituency. His constituents will be grateful to him for raising these issues and they are doubly fortunate to have as their Member a man who knows his way round the corridors of Strasbourg and Luxembourg and knows how to harness the needs of his constituents to possible funding from Europe.

My ministerial colleagues at the Department have very much valued the contact that they have had both with my hon. Friend and with the officers of the Council for the Isles of Scilly. My noble Friend Lord Skelmersdale had a most informative and enjoyable visit to the Isles last year and experienced both their problems and their generous hospitality at first hand. I know that he would want me to record that he found his visit stimulating and rewarding; it gave him a clearer insight into the serious difficulties that remote island communities have to face. That was of great help to all of us in the Department.

I do not wish to dwell solely on the islands' problems. They have an outstanding reputation as a paradise for tourists. Distinguished royal visitors, former Prime Ministers and Cabinet Ministers have found them a haven from the pressures of the mainland. The islands are also a source of high quality horticulture.

As regards tourism, I was delighted to read the article in the April edition of "In Britain" which, in narrative form, sets out some of the islands' many virtues. On horticulture, the House needs no lessons in geography to recognise the Isles as a source of early spring flowers, and it is no surprise that the word "Scilly" is derived from another word meaning sunny.

I shall not deal tonight with some of the points raised by my hon. Friend, but I will give him a fulsome reply in due course.

The Government have been impressed by the comprehensiveness of the final report on the integrated operations study of the Isles of Scilly commissioned by its council.

European Commission regional policy aims to

"promote the convergence of national economies and a more balanced distribution of economic activities within Community territory".

The integrated development operation approach is an attempt to further this co-ordination. The concept is based

[Mr. Neil Macfarlane]

on the assumption that in some areas it may be possible to increase the impact of expenditure by further co-ordination of Community aid and domestic expenditure.

Throughout the preparation of the study, I was pleased to note the good working relationship between the parties involved and I am sure that that was a decisive factor in ensuring the successful completion of their work.

We are well aware of the economic problems of the islands, and the report clearly outlines a varied list of schemes aimed at improving the wellbeing of the islands, for both the residents and the many visitors attracted by their outstanding natural beauty. I note that the consultants have not only identified schemes for implementation over the next 10 to 15 years, but have given them priority ratings. That is a sensible step towards the sound future planning of the islands' economy, and is in line with the Commission's philosophy of how integrated operations studies should operate.

The European Commission and the Government have, however, made it clear that integrated operations should not be seen as a means of obtaining additional funds, whether European or domestic. The Isles of Scilly representatives have always been advised that the concept was intended to help improve the co-ordination of existing financial mechanisms for promoting development — a point which is now well reflected in the European regional development fund regulation, which came into being on 1 January 1985.

At present there is no Community machinery for considering as a totality applications which are currently handled by separate Directorates General in Brussels under different timetables.

Until the Commission has further clarified its position on the designation of "integrated operation areas", the Government will continue to submit eligible schemes from the islands at the highest rates available under the existing fund structures. To that end, my Department's officials have recently submitted a number of top priority schemes for ERDF grant aid at the highest grant rate of 55 per cent. My Department's officials will do all that they can to ensure that the Commission reaches a positive decision on those schemes. I fully accept that my hon. Friend wants a constructive policy, which is not wholly reactive, but steady, consistent and forward looking.

My hon. Friend expressed great concern about what he feels to be the injustice that the Isles of Scilly must suffer compared with the Scottish islands regarding transport services to the mainland. He has argued ably that if the transport services to Scotland can be subsidised, why should not those to the Isles of Scilly, which are of a comparable nature and equally remote. I must admit that I could, on the face of it, feel some sympathy for that view, but the case is not as straightforward as it seems. The long-standing subsidies for shipping given by my right hon. Friend the Secretary of State for Scotland are made under Scottish legislation, and new legislation would be required to do that in England.

Government policy generally is to oppose subsidies for shipping. But above that, the ferry service to the Isles of Scilly appear to operate profitably, and the Government would find it difficult to justify subsidising an apparently profitable commercial company. We had gone about as far as we could when, a few years ago, we gave them a returnable grant for a new ship which was of real assistance, and should not be overlooked. In addition, the Isles of Scilly Steamship Company has been exploring ways of making its service more economical and reliable.

Similarly, we could not directly subsidise the air services. There are a number of them, although the backbone is the helicopter link provided by British Airways. But there are other, again apparently profitable, commercial services. The Government have, however, given the isles substantial indirect help over the past three years in the form of grants to make good deficits incurred in running St. Mary's airport, which the council took over in 1982. In total, nearly £190,000 has been provided or approved, which has enabled the council to consolidate its position so that it now expects the airport accounts to show a surplus. I am sure that my hon. Friend will share my view that that is a most welcome development.

My hon. Friend also raised the question of the disparity between the isles' and mainland electricity charges. I cannot comment on that as the matter is before the courts and is, therefore, sub judice. However, I should like to point out on a related matter that mains cabling is now being installed to the islands of Bryher, St. Agnes, St. Martin's and Tresco, for which I know the islanders have pressed long and hard. That will bring real benefits to the communities. There may be some grant aid available from the council to help householders bring electricity installations up to the standard required for mains supply where such installations do not already meet it.

The Government are providing substantial assistance towards the cabling to the off-islands, with a contribution from the Countryside Commission of £132,000. The Duchy of Cornwall has also agreed in principle to a contribution of £100,000.

An application for ERDF grant aid has also been made, and was submitted to the European Commission in June this year. A grant rate of 55 per cent. is being sought. The application was prepared following discussion with my Department and South-West electricity board officials. SWEB officials visited Brussels to seek the European Commission's support for both the concept of the scheme and the option chosen. That involved a certain amount of more expensive undergrounding because of the need to preserve the island's environment. The Commission is expected to announce its decision in the autumn.

My hon. Friend raised the question of students' travel costs and the position of the few students from the Isles of Scilly who are attending distant institutions. I appreciate the point, but I understand from my colleagues in the Department of Education and Science that a number of institutions in particular areas elsewhere have also made similar representations.

The Government made it clear from the start that any policy which would achieve a worthwhile degree of administrative simplification, as well as ending the open-ended commitment to public expenditure which the present arrangements entail, would necessarily involve an element of rough justice.

Students from the Isles of Scilly will be at some disadvantage, particularly if they choose to study at institutions at the opposite end of the country. Any student who chooses to study at an institution remote from his home will need to give careful attention to the resources available. Any help for particular groups of students could only be provided at the expense of others and we do not

believe this to be justified. It would also reintroduce complications into the system which would effectively defeat our primary objective of simplification.

For all of those reasons, the Government would be reluctant to contemplate any immediate change in the present system. But, as my hon. Friend the Parliamentary Under-Secretary of State for Education and Science said in the House last October, if, once the new system has had a chance to settle, we are presented with compelling evidence that some students are facing hardship and if a means is available to overcome any problems in an administratively efficient way. I can assure the House that we shall look at them again. This is the only way to proceed.

My hon. Friend has raised the question of local authority expenditure and the rate support grant. He said that they had not done badly this year. The Isles of Scilly's target for 1985-86 of £1·3 million, is an increase of nearly 3 per cent. on the 1984-85 budget, and an increase of 2·5 per cent. on last year's target.

The council's grant-related expenditure this year at about £1·4 million is up 11 per cent. on last year's figure. This large increase is due to a recalculation of the Isles of Scilly special costs component, to include for the first time expenditure on transport. That will be welcomed. I know that the council has requested that sewerage and sewage disposal should be included in the special costs component, but the Government believe that the component overall adequately reflects the additional costs faced by the Isles council attributable to the Isles' remoteness. My hon. Friend will be glad to note that we have, however, agreed to reconsider the matter at a later date.

I hope that I have dealt with all the points. I am confident that everything can be studied closely by officials and Ministers. We have the interests of the islanders at heart. I am sure that my hon. Friend will be patient while I look into the other matters which he raised this evening.

Question put and agreed to.

Adjourned accordingly at twenty-seven minutes past Three o'clock am.

House of Commons

Wednesday 10 July 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

EAST LOTHIAN DISTRICT COUNCIL (MUSSELBURGH LINKS, ETC.) ORDER CONFIRMATION

Mr. Secretary Younger presented a Bill to confirm a Provisional Order under section 7 of the Private Legislation Prodecure (Scotland) Act 1936, relating to East Lothian District Council (Musselburgh Links, etc.): And the same was read the First time; and ordered to be considered upon Tuesday 16 July and to be printed. [Bill 187.]

SHETLAND ISLANDS COUNCIL ORDER CONFIRMATION

Mr. Secretary Younger presented a Bill to confirm a Provisional Order under section 7 of the Private Legislation Procedure (Scotland) Act 1936, relating to Shetland Islands Council: And the same was read the First time; and ordered to be considered upon Tuesday 16 July and to be printed. [Bill 188.]

PETERHEAD HARBOURS (SOUTH BAY DEVELOPMENT) ORDER CONFIRMATION

Mr. Secretary Younger presented a Bill to confirm a Provisional Order under section 8 of the Private Legislation Procedure (Scotland) Act 1936, relating to Peterhead Harbours (South Bay Development): And the same was read the First time; and ordered to be read a Second time upon Thursday 18 July and to be printed. [Bill 189.]

Oral Answers to Questions

ENVIRONMENT

Regional Water Authorities

1. **Mr. Hoyle** asked the Secretary of State for the Environment how many representations he has received regarding the proposed privatisation of the regional water authorities.

The Minister for Housing and Construction (Mr. Ian Gow): Twenty-nine, Sir.

Mr. Hoyle: Why does the Minister persist in putting the public's health at risk by water privatisation? Does he not realise that water is an essential commodity which cannot be substituted? What will happen to investment in the water authorities, especially with respect to replacing sewerage and recreation centres? Does this mean that the water supply will be in the hands of the City of London and foreign investment? Why does the hon. Gentleman persist in this folly, especially as the public are outraged by this privatistion?

Does the hon. Gentleman not realise that if he continues with this programme the public will rise up and give him a black eye? That is no trivial matter.

Mr. Gow: I am aware that water is essential to human life. The House would do well to remember that 25 per cent. of the British people are already provided with fresh water by the private water companies. Hon. Members should understand that many great benefits will accrue to the water industry and, above all, to customers if we can bring a measure of privatisation to the water industry. The Government intend persevering in their examination to ascertain whether they can bring some free enterprise to the industry.

Several Hon. Members *rose*——

Mr. Speaker: Order. Long supplementary questions lead to long ministerial replies, which cannot help Question Time.

Sir John Page: Is my hon. Friend aware that private water companies are celebrating this year their 100th anniversary of supplying wholesome water to the people? Will my hon. Friend consider, during discussions on privatisation, the possibility of using the legislation covering the water companies as a model for the privatisation of the authorities?

Mr. Gow: There could be no better example of the success of the private water companies than the successful private water company of which my hon. Friend is a director. During our examination of privatisation we shall certainly consider the lessons that we can learn from the successful private companies.

Mr. Kilroy-Silk: How many water authorities have been exempted from the EEC requirement which came into effect this month on the amount of nitrates allowable in drinking water?

Mr. Gow: Although that matter does not arise directly from this question, I can point out that I had a meeting yesterday with the Government's Chief Medical Adviser on the subject. I shall be announcing the decision on derogations shortly.

Mr. Stanbrook: If a decision is taken on that matter, will my hon. Friend bear in mind that it is desirable not only that costs should be kept as low as possible but that there should be no great variation of water prices throughout Britain? That would be most undesirable as regards past investment in the industry and what is available now. Such a variation might widen the gap between those areas that are fortunate in fostering investment and those that are not.

Mr. Gow: I shall certainly consider my hon. Friend's advice. I remind the House that among the advantages of privatisation will be the possibility that those who at present work for water authorities and, not least, those who are customers of the water authorities will become shareholders.

Mr. Cowans: Will the Minister reflect on the fact that water is far too important a commodity, to use his own words, to leave to the "whims" of the free market? If he

will not reflect on that, I am bound to say that the Labour party in power will return it to public control. If the private sector is so good, will the Minister kindly explain why the private firm that supplies Eastbourne charges more than the public sector?

Mr. Gow: It used to be believed, even by some of my right hon. and hon. Friends, that the ratchet-effect of Socialism was such that any threat to renationalise that which we denationalised should be taken seriously. I say to the House and to the engaging Labour party spokesman on water that a threat to renationalise that which we may denationalise is no threat.

Mr. Cowans: Eastbourne.

Mr. Speaker: Order.

Mr. Meadowcroft: Is not the present position unsatisfactory, in that those who supply water are not properly accountable as virtually all water authorities, with some notable exceptions, meet in private? Why would a privatised system be more accountable than the present system, which is hardly accountable to consumers? What protection will there be to ensure a pure water supply?

Mr. Gow: It is because the present organisation of the water industry, though greatly improved since 1979, is not yet perfect that we are examining the possibility of a measure of privatisation. I should have thought that the Liberal party, which claims to be the party of participation, would have welcomed the opportunity for more and more customers and more and more employees to become owners of the business. It is characteristic of the Liberal party—that band of visionary missionaries with neither vision nor mission—that it should make a wet observation of that kind.

Derelict Dormant Land

2. **Mr. Steen** asked the Secretary of State for the Environment how many acres of publicly owned derelict dormant land now appear on the register of vacant land; and how that compares with the figures for each of the last three years.

The Minister for Local Government (Mr. Kenneth Baker): At the end of June 1985 the land registers showed 113,000 acres of unused or underused land owned by local authorities and other public bodies in England. Figures for the last three years are:

1982 95,000 acres
1983 109,000 acres
1984 114,000 acres

Those figures conceal the fact that over 21,000 acres have been removed since the registers started because the land has been sold or brought back into use.

Mr. Steen: In view of the immense amount of land stuck on the registers, which I believe is only the tip of the iceberg, will my right hon. Friend consider privatising public land, raising the necessary finance through the issue of industrial revenue bonds, and amending planning laws so that a national, wasting asset may be put to excellent use?

Mr. Baker: My hon. Friend's proposals are interesting. We wish to persuade local authorities to use the land, because the public hoarding of land when nothing is planned for it and nothing is happening to it is unacceptable. I shall certainly consider my hon. Friend's proposals.

Mr. Allan Roberts: Is the Minister aware that a great deal of public and private land from which the negative value has been removed by public money from the Merseyside development corporation is still standing idle because private developers will not go on it?

Mr. Baker: Merseyside development corporation is undertaking some of the best developments on Merseyside, as I think the hon. Gentleman will recognise. Members on both sides of the House will agree that it is a disgrace when public authorities—local authorities or nationalised industries—own land and are doing nothing with it, and that that land should be sold and developed.

Mr. Ward: My right hon. Friend will be aware of the pressure on housing land in the south. Is it not a scandal that those authorities are still holding on to land which in many cases is derelict? Has the time not come to give up persuasion and to set a time limit on how long those authorities may hang on to what is a valuable and, as my hon. Friend the Member for South Hams (Mr. Steen) said, wasting asset?

Mr. Baker: A third of the land is in the inner cities, and the Government are not sitting idly by. We have already issued four directions, and in June my right hon. Friend the Secretary of State said that he was thinking of giving warnings that he would issue instructions on a further 50 sites covering some 388 acres. We are moving energetically.

Mr. Freeson: Is not one of the biggest single obstacles to bringing derelict land back into use, particularly in inner cities, the Government's failure to remove the restrictions on the expenditure of derelict land grant? Have not hundreds of projects submitted by local authorities been held up by the Government's restrictions? Could such schemes not bring commerce, industry and housing, and private investment to match public expenditure, if only the Government would increase the permitted expenditure?

Mr. Baker: We have substantially increased expenditure on derelict land grants since we came into office. It has increased again this year to about £75 million a year. I agree with everything that the right hon. Gentleman said, and I hope that there will be an increase next year.

Office Development

3. **Mr. Boyes** asked the Secretary of State for the Environment if he will make a statement on his policy towards the control of office development in the light of the report on office rents and rates 1973 to 1985, published in May by Debenham, Tewson and Chinnocks, a copy of which has been sent to him.

The Parliamentary Under-Secretary of State for the Environment (Mr. William Waldegrave): I have read the report with interest.

Mr. Boyes: That was a pathetic answer. Does not an hon. Member who has tabled a question deserve an answer from a Minister? Should the Minister not have taken into consideration the comments by Mr. Peter Evans, the head of research at Debenham, Tewson and Chinnocks, who

said that office accommodation is cheaper now than for a long time, and that one cannot claim that the rates burden is causing rent rises because the relationship between the two is not proved, rents not having risen in real terms over the past few years? How does the Minister justify that statement?

Mr. Waldegrave: I read the report with interest, because it says:

"As found in both the association's report and our survey, commercial rates in the inner London boroughs have risen by one of the lowest margins in the last 10 years and this can be attributed directly to the Government's rate capping controls."

For that and other reasons, I read the report carefully.

Mr. Dickens: Does my hon. Friend agree that the Debenham, Tewson and Chinnocks annual report is crammed with statistics and does not make good bedtime reading? Only one sentence in it could affect and influence the hon. Member for Houghton and Washington (Mr. Boyes)—that which said that many office accommodation owners are moving out of the London area, and perhaps into the hon. Gentleman's constituency. Will not economic measures influence such moves, with offices then going to the provinces?

Mr. Waldegrave: The move to constituencies such as that of the hon. Member for Houghton and Washington (Mr. Boyes) might be the kind of phenomenon that the report shows, because it shows that because of the rates office accommodation has been tending to move out of areas such as Lambeth and Southwark.

South-East (Housing Demand)

4. **Mr. Proctor** asked the Secretary of State for the Environment what assessment he has made concerning the supply and demand for houses in the south-east of England.

The Secretary of State for the Environment (Mr. Patrick Jenkin): While my Department does not attempt to forecast housing supply and demand, it publishes much information on recent trends. The London and south-east regional planning conference—SERPLAN—is preparing an assessment of future housing requirements in the region.

Mr. Proctor: Is my right hon. Friend aware that one of the proposals to meet the alleged shortfall is that proposed by Consortiums Developments Ltd. to build a new town of 5,000 houses in my constituency between West Horndon and Bulphan? Is my right hon. Friend further aware that that proposal has led to universal and substantial all-party opposition from the Essex county council, from the London borough of Thurrock and from the villages of Bulphan and West Horndon and the local Members of Parliament? Will he take that into account when he makes his decision?

Mr. Jenkin: I am aware of the proposal to which my hon. Friend draws attention. The matter will be dealt with in accordance with normal planning procedures. There is a planning application before the Thurrock borough council, and it will be for it to take a view in the first instance.

Mr. Dubs: Does the right hon. Gentleman agree that in inner London there are many badly housed or homeless people who are too poor to compete effectively in the private housing market and that his policies of cutting back on the public sector are denying many of them the chance of decent homes in their lifetimes?

Mr. Jenkin: The hon. Gentleman will recognise that it has been Government policy that the demand for new homes should primarily be met by the private sector and that the number of houses built by the private sector has increased substantially. The Government recognise that there will always be a proportion of the population unable to afford the full cost of private sector housing. For them, the housing associations and local authorities will provide a way to be housed. But it is up to the local authorities to make the best use of their resources and not, for instance, have up to 25,000 houses and flats empty for more than a year. If they can deal with that, they may be able to help some of the homeless.

Mr. Andrew MacKay: Is my right hon. Friend aware that there is no proof of the size of demand for new houses in central Berkshire to justify the foisting of an excessive number of houses on to the area completely against the wishes of the people, the local planning authority and local business?

Mr. Jenkin: I am aware of my hon. Friend's forcefully expressed views on this, which I know are reflected in those of a great many of those whom he represents. The Government will be making their view public on this shortly.

Dr. Macdonald: Is the right hon. Gentleman aware that, according to his Department's figures, there is enough land available with planning permission to continue building houses at the present rate in Essex until 1990? Is he aware, further, that the proposals by Consortium Developments to use green belt land is opposed by the leading Labour group on Thurrock borough council and that, furthermore, Thurrock borough council is considering plans to use derelict land which is available in Thurrock and can build a further 5,000 to 6,000 houses on it and that therefore Consortium Developments' planning application to misuse green belt land should be firmly rejected by his Department?

Mr. Jenkin: I am sure the hon. Lady recognises that if Consortium Developments appealed against a refusal of permission or a failure to give permission within the specified time, that appeal would have to come to my Department and that it would be wrong for me to express any view on the merits of the proposal to which she referred.

Mr. Soames: Is my right hon. Friend aware that in the south-east many people are extremely alarmed about the pressure on land for house building? That being so, will he assure the House that he will respect the integrity of the county plans, which are an important protection for my constituents?

Mr. Jenkin: Yes, indeed. The county structure plans are one of the mechanisms whereby it is possible to regulate the development of housing in areas which are already under pressure. My hon. Friend will know that the Government have made it abundantly clear again and again that they do not wish to see development on the green belt, where the protection should be permanent, and that they do not want to see good agricultural land taken. At the same time, it has to be said that there is a demand for housing in the south-east, as there is in other parts of

the country. It is our policy to make sure that sufficient suitable land comes forward for that purpose to meet the demand.

Mr. Simon Hughes: Given that incomes in my constituency average about £5,000 and that the average price in the private sector is £39,000 for a flat and £48,000 for a terraced house, will the right hon. Gentleman give some thought—given that he accepts the demand for low-cost homes for sale in docklands, especially from young married couples—to introducing new schemes and methods of finance so that people can live where they work and come from and not be forced to move from the area when the demand is there, the land is there and the supply could be there as well?

Mr. Jenkin: I understand the hon. Gentleman's point, and he knows of the various low-cost home ownership schemes promoted by the Government. He also knows that in his constituency the London Docklands development corporation has been among the foremost in making use of those schemes so that his constituents can occupy homes close to where they have always lived on land which for many years has lain derelict. I hope that the hon. Gentleman approves of that.

Mr. Squire: Despite comments from some of my hon. Friends, does my right hon. Friend accept that in parts of east London and south-west Essex there is considerable unmet demand for houses to buy? That must be taken into account when he considers these policies, because many young people are being driven from where they wish to live.

Mr. Jenkin: I certainly take most careful note of what my hon. Friend said. It reflects my impression, as I also have a constituency in that area.

Mr. John Fraser: Is the Secretary of State aware that in Greater London the average price of a pre-1919 terraced house is now almost £50,000, which is twice the national average and well beyond the means of many needy first-time buyers? Is he further aware that that extremely high price is a reflection of the 1,000 per cent. increase in the south-east in land prices since the Government took office? Does he agree that we have, not a housing policy, but a speculators' bonanza? Will he now engage in an exercise of positive planning to identify private land, along the lines suggested by my hon. Friend the Member for Thurrock (Dr. McDonald), which can be used for private housing, without raping the green belt for private profit?

Mr. Jenkin: The Government certainly want to see the maximum possible use of inner city land that is available for housing for that purpose. However, one of the best ways in which inner city authorities, particularly those in London, can meet the needs of the families to whom the hon. Gentleman referred is to bring into use by homesteading or other ways the many thousands of empty houses and flats that they have on their books. It is a scandal that so many should be allowed to remain empty for so long, and that homeless families must then be put into bed-and-breakfast accommodation.

Mr. Speaker: Order. I again appeal for brief questions.

Liverpool (Rates)

5. **Mr. Parry** asked the Secretary of State for the Environment if he has any plans to meet Liverpool city council leaders to discuss the council's recent decision about rates.

Mr. Patrick Jenkin: No, Sir.

Mr. Parry: Will the Secretary of State at least meet elected Members of Parliament to discuss this critical position and consider meeting council leaders? Meantime, will he ask the district auditor to withdraw the letter that has been sent to councillors who are defending jobs, services and rates in Liverpool? The right hon. Gentleman knows that the previous Tory-Liberal coalition left Liverpool city council in a mess, because he saw that for himself. Is it not a disgrace that councillors could be banned from office or gaoled for carrying out their pledges to their citizens?

Mr. Jenkin: The district auditor is completely independent of central Government, which has been the case since the office was first established 150 years ago. I therefore have no power to control him in the performance of his duties. However, it is a complete fallacy to imagine that the problems which now beset Liverpool city council are all the making of its predecessors. The present councillors were given time last year to put their house in order, but they failed utterly to do anything about it. On the hon. Gentleman's first point, I shall be ready to meet Members of Parliament from Liverpool who would like to discuss the matter.

Mr. Favell: Will my hon. Friend take this opportunity to remind the people of Liverpool that they are heavily dependent on the charity of taxpayers in other areas, and that many of those hard-working people resent their money being poured down the bottomless hole which the leaders of Liverpool city council seem determined to create?

Mr. Jenkin: The Government certainly think it right to give substantial help to Merseyside in general and Liverpool in particular. We look to Liverpool city council to do more to help itself. Why does collecting the refuse in Liverpool cost the council double the number of rounds as, and 25 per cent. more staff than, in Birmingham, which is twice the size of Liverpool? That is an example of the woeful inefficiency of Liverpool city council.

Mr. Heffer: Will the Secretary of State repudiate what his hon. Friend the Member for Stockport (Mr. Favell) said? The people of Liverpool or elsewhere do not receive charity from anyone. *[Interruption.]* Although many of the problems were caused by the previous administration in Liverpool, the basic problem is that the rate support grant was cut drastically by the Government over several years, and this year the housing investment programme for Liverpool was cut. On that basis, is it not clear that a reversal of policy is needed? As the Government are already intending to go in that direction, why not start now?

Mr. Jenkin: If the Liverpool city council was prepared to tailor its budget so that it could live within its target, it could have rate support grant this year of £118 million. If it succeeded in living within its target, it could manage its services with a very modest rate rise.

Mrs. Currie: Does my right hon. Friend agree that the disastrous policies of the current Liverpool city council

serve only to make things worse in that sad city by deterring any potential employer from moving there? Will he say why people in south Derbyshire should have to fork out a ton of money to keep that council afloat on the Mersey when the money could be far better spent on our own ratepayers and taxpayers?

Mr. Jenkin: I entirely agree with my hon. Friend. I hope that members of the Liverpool city council will recognise, from what has been said from the Conservative Benches, that Parliament's patience is running very short. It is high time that they set about putting their house in order instead of continually standing with their hands outstretched, asking for more money.

Mr. Alton: Is it not the case that, by budgeting for £100 million above the income that the council will receive this year, the trouble has been brought on the heads of the councillors because they have practised policies of self-immolation? Will the Secretary of State give the House an assurance the he will not send a commissioner to Liverpool —he would be seen as the Prime Minister's henchman — but will instead allow the law to run its natural course? Will he also give assurances to council employees, who are worried about what will happen to them when the money runs out?

Mr. Jenkin: The employees of the council, including the members of NALGO and of the teachers' unions, have already made their anxieties extremely plain to the ruling majority on the Liverpool city council. The law will take its course as the district auditors' proceedings go through the normal process. I have no power whatever to send in commissioners. I hope that the Liverpool city council will take the steps that still remain within its powers to set its affairs in order.

Mr. Wareing: Does the right hon. Gentleman agree that the people of Mossley Hill do not need a Tory Member of Parliament when they have the hon. Member for Liverpool, Mossley Hill (Mr. Alton)?

Does the right hon. Gentleman agree that the people of Liverpool are trying to put their affairs in order? They have 17 priority housing areas. He has seen the housing problems on Merseyside, and will see them again during his visit next Friday. He refuses to acknowledge the real needs of the people of Merseyside and prefers instead to dissipate taxpayers' money on international garden festivals and Tate galleries for the north, which, while desirable, are not first priorities for the people of Liverpool.

Mr. Jenkin: The hon. Gentleman has been less than fair to those who successfully carried through Britain's first international garden festival. Nothing did more to lift the spirits of the people of Liverpool than that festival last year. They demanded that it should be opened again this year, and it has been. That in no way excuses the failure of the Liverpool city council to use the time that it was given last year to put its house in order, to seek to get more efficient services and better value for money, and so live within its income. It is because the council has failed to do that that it is now facing very serious problems.

Mr. Allan Roberts: Will the Minister accept some responsibility, as the Minister responsible for Merseyside —as was his predecessor—for the fact that hard drug-taking among young people has increased fourfold, while at the same time Government policies have created a situation in which the leader of Liverpool city council, a JP and retired schoolmaster who has never broken the law in his life, is being turned into a law-breaker by the Government because he wants to defend services for the elderly, the disabled and the children in Liverpool?

Mr. Jenkin: The hon. Gentleman is seriously misrepresenting the situation. If Councillor Hamilton or any other councillor of Liverpool city council chooses to go outside the law and vote for a budget or rate which may or may not be illegal, that is a matter for the courts. That is their decision. It is in no sense a decision of the Government, and I repudiate wholly what he has said.

Council Housing Stock

6. **Mr. Flannery** asked the Secretary of State for the Environment if he will institute a survey in all major cities of council housing stock to discover how much money necessary repairs will cost.

The Parliamentary Under-Secretary of State for the Environment (Sir George Young): My Department has already launched such an inquiry. On 11 April of this year my Department wrote to all local housing authorities in England asking them for information on the condition of their housing stock, and the expenditure they estimate is needed to put it in good condition. Local authorities' returns are now being processed and I hope initial results will be available by the end of this month.

Mr. Flannery: Is it not a fact that Sheffield launched such a survey, the results of which show that hundreds of millions of pounds are needed at a time when the trail of destruction of cuts by the Government is not only allowing the infrastructure to degenerate on a grand scale but is causing the superstructure to degenerate? When will the hon. Gentleman realise that, as a result of those cuts and the ensuing rate capping, it is impossible to provide services for people in the way that councils have been doing for years because the Government are cutting out the money that is needed to repair council houses, for which the waiting lists grow longer every week?

Sir George Young: On the first point, my Department is indeed analysing the results of the survey that Sheffield council has done. As I said, we hope that the results will be available by the end of the month. With regard to reductions in public expenditure investment in housing, as I am sure the hon. Gentleman knows, between 1974 and 1979 public sector investment in housing fell by 45 per cent., after allowing for inflation, and since we came to power it has fallen by 26 per cent. on the same basis, so I reject his criticism.

Mr. Galley: Has my hon. Friend had any discussions with the Halifax building society about the approval of repair schemes for pre-cast reinforced concrete houses in major cities or elsewhere? If so, can he tell the House what types of houses and what methods of repair may now be eligible for mortgages from the Halifax as a result of what seems to be an excellent initiative by the society?

Sir George Young: I was delighted to learn that the Halifax building society has agreed that PRC houses repaired under the NHBC schemes will automaticaly be accepted by the society for a mortgage. It has done this in advance of formal approval by the NHBC. I very much

welcome that initiative, which I think will be greatly welcomed by many owners. I hope that it will not be too long before other building societies follow in its wake.

Mr. Cartwright: Does the Minister recognise that the massive problems of dampness and condensation, which affect so many flats in constituencies like mine, result directly from the fact that many tenants simply cannot afford adequate heating in their own homes, particularly when they have to contend with wickedly expensive and inefficient heating systems put in during the 1960s? What steps are the Government planning to help local authorities to tackle those problems?

Sir George Young: As the hon. Gentleman knows, I visited his constituency and met a number of the tenants in some of the more difficult estates in Greenwich. If Greenwich borough council wishes to spend part of its HIP on improving the heating systems in local authority stock, the Government would not question its priority. We shall be discussing at a later stage with Greenwich and other local authorities which have difficulty what can be done through the newly established unit on urban housing renewal, which my Department launched a few weeks ago.

Mr. Frank Cook: *Having carried out this survey, will my hon. Friend also take the opportunity to examine the length of time for which council houses remain void in the Middlesbrough area in particular, and the outstanding rents that are owed in that area? If the two things were brought together, after 50 years of almost continuous rule by the Labour authority in Middlesbrough, the situation would improve for council house and other tenants in that region.

Sir George Young: I agree with my hon. Friend that if houses are left unlet there is a loss of income. Likewise, if rents are not collected, the local authority is also out of pocket. This may inhibit the level of service that it can provide to tenants and ratepayers. I hope that Middlesbrough will respond to the prodding of my hon. Friend and reduce the number of vacant properties and outstanding debts.

Mr. Campbell-Savours: Has the Minister seen the Royal Institute of British Architects' survey on local authority housing entitled "Decaying Britain", which shows that £10,000 million is needed to deal with the backlog of repairs and maintenance? Is the Minister aware that selling council houses will not raise that amount of money? Where will it come from? Will the Government cough up? Can the people who live in that housing be assured that these problems will be resolved?

Sir George Young: As of a few days ago, I understood that the policy, supported by a number of the hon. Friends of the hon. Gentleman, was to sell council houses. I am surprised to learn that this policy does not have the support of the hon. Gentleman. On the figure of £10 billion that he mentioned, I have seen a range of figures, from £10 billion up to £20 billion, from the Association of Metropolitan Authorities. When we have the results of the survey to which I referred we shall have a much clearer picture of how much money is needed to catch up with the backlog of repairs to local authority stock.

*The question was in fact asked by Mr. Holt. see *Official Report*, 11 July 1985, c. 1291.

Mr. Hill: My hon. Friend realises that repairs and maintenance are a serious matter for any city. The citizens who occupy council tenancies in Southampton are very angry with the Labour-controlled council because its repairs fund is underspent by £600,000, due mainly to a series of mistakes and omissions. Whatever may be the council's excuse, this is deplorable when one realises how much of the housing stock of some cities is in need of repair.

Sir George Young: I hope that the electors of Southampton will wreak their vengeance on a local authority which has failed to spend the resources that have been made available to it. It is worth reminding the House that expenditure this year on renovating public sector housing stock is running at over £1 billion. That is an increase on the 1979 figure.

Mr. Merlyn Rees: Does the Under-Secretary of State really need an inquiry to point out to him that the major social problem in many of our inner cities is the repair of houses, when people are constantly complaining about the condition of their houses? When the report is published there will be only one recommendation: that local authorities need money to help them to repair their housing stock.

Sir George Young: I referred not to an inquiry but, to a survey. We require up-to-date, accurate information about what is needed to put local authority housing stock into a better condition. My Department has asked for this information to be made available in time for the public expenditure round. When we have the information we shall be better placed to make decisions and solve the problems to which the right hon. Gentleman has referred.

Dr. Cunningham: Is the Secretary of State confessing to the House and to the millions of people who live in substandard and inadequate accommodation that the Government do not understand the problems and do not have the information? If, when the survey is completed, the overwhelmimg evidence that is already available from the Association of Metropolitan Authorities, the Royal Institute of British Architects and others is confirmed, will the Government provide the extra resources that are needed to help the millions of families who are living in squalor, dampness and freezing conditions?

Sir George Young: The problems to which the hon. Gentleman has just referred have not arisen only during the last four or five years. They are due to years of neglect and bad management of local authority stock. The Government are trying to obtain an up-to-date and accurate assessment of the resources that are needed. When we have that information we shall be better placed to negotiate the resources that are needed.

Halvergate Marshes

7. **Mr. Lord** asked the Secretary of State for the Environment what progress has been made by the Government to save the Halvergate marshes.

Mr. Waldegrave: One hundred and eighteen applications have been received under the Broads experimental scheme, covering nearly 95 per cent. of the estimated total eligible grazing marshes. The scheme will run for three years and all the applicants have agreed not to plough or destroy their marshland and to manage it in

sympathy with conservation objectives. In return, they will receive an annual payment of £50 per acre. This take-up is very encouraging and should do much to ensure that this landscape is preserved.

Mr. Lord: I thank my hon. Friend for his answer. I am very pleased that the Halvergate scheme is proceeding so well. At the same time, I urge him to continue to seek a balance between agriculture and conservation, particularly in environmentally sensitive areas such as the Halvergate marshes.

Mr. Waldegrave: This experimental scheme is an outstanding example of co-operation between the Ministry of Agriculture, Fisheries and Food and the Countryside Commission. It may provide useful lessons for the development by my right hon. Friend the Minister of Agriculture, of his environmentally sensitive areas scheme.

Mr. Dalyell: Is not £50 an acre quite a lot of money to pay people for not doing what they ought not to have done anyway? Is this not an argument for the listing of sites of special scientific interest, just as buildings are listed?

Mr. Waldegrave: The problem in the Halvergate area is that there are very few SSSIs. We are involved there with general landscape matters. The interesting point is that the £50 per acre scheme is cheaper than the management agreements for which payments were being made, so it can be argued that the scheme is good value for money.

Mr. Budgen: Has my hon. Friend calculated by how much it would be necessary to reduce cereal prices to remove the financial inducement to plough areas such as the marshes?

Mr. Waldegrave: That would be a difficult calculation to make. The cereal problem is not the only factor. Pressure from the dairy industry meant that there were fewer dairy followers to go to grazing in the Broads, which meant that there was a further incentive to plough. It is a little more complicated than my hon. Friend believes.

Dr. David Clark: Will the Minister pursue the request of his hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen), because the figures would be interesting? Further to the Minister's reply to the hon. Member for Suffolk, Central (Mr. Lord), who is PPS to the Minister of State, Ministry of Agriculture, Fisheries and Food, will he give the House a categorical assurance that no farmers in Halvergate are applying for grants to drain parts of that wetland?

Mr. Waldegrave: On the fundamental point, there is no disagreement between us. The Government have been among the leaders of those seeking more realistic cereal prices in the European Community. It would be rash of me to assure the hon. Gentleman—as I once assured the hon. Member for Linlithgow (Mr. Dalyell)—that no field in this area will ever be ploughed. However, we hope that the great majority of the area is now safe.

Capital Spending

8. **Mr. Hunter** asked the Secretary of State for the Environment what representations he has received since 19 June from the Association of County Councils on capital spending.

Mr. Patrick Jenkin: None, Sir. But I met all the associations on 20 May to discuss the review of the capital control system and the chairman of the ACC wrote to me after that meeting.

Mr. Hunter: Bearing in mind the association's concern about the capital control system and the Audit Commission's condemnation of it, will my right hon. Friend comment on the strength of that feeling and assure us that he will give careful consideration to a recommendation that he either has received or is about to receive from the joint working party of the Department of the Environment and ACC officials?

Mr. Jenkin: The report that Ministers have received certainly confirms the need for a change in the system. It also identifies a number of options, which we have been discussing with the local authority associations. We seek two objectives. The first is to get better control of the totals of capital spending by local authorities, and the second, which is no less important, is to give local authorities greater certainty so that they can plan their expenditure more efficiently.

Mr. Jack Thompson: Is the Secretary of State aware that the present system of capital spending controls is causing absolute chaos for local authorities at all levels, because they do not have the opportunity to plan ahead? Is he aware that capital spending must be planned on as long a term as possible, yet some authorities are working on plans covering less than six months? Does the right hon. Gentleman agree that he should consider introducing a proper system of capital spending controls? One cannot criticise controls of some sort, but they must be on a longer-term basis.

Mr. Jenkin: I do not agree with what the hon. Gentleman has said, but I hope that he took some comfort from my answer to my hon. Friend the Member for Skipton and Ripon (Mr. Watson) on 26 June, when I said that we did not propose to take any action at present where we noticed that there was the prospect of an overspend on local authority capital spending this year. I know that the statement was widely welcomed by local authorities.

Housing (Elderly Persons)

9. **Mr. Haynes** asked the Secretary of State for the Environment how many housing units built for the elderly were completed by local housing authorities in the years 1980, 1981, 1982, 1983 and 1984.

Sir George Young: The latest figures of completions of local authority dwellings for the elderly are 10,300, 7,600, 7,600 and 8,500 in 1981 to 1984, respectively. Complete figures are not available for 1980.

Mr. Haynes: Is the hon. Gentleman aware that that is a terrible record and that the Government and particularly the Secretary of State ought to be ashamed of themselves? The Government regularly trip out the claim that they look after the elderly, yet in my constituency and, no doubt, throughout the country, elderly people are living in two-bedroomed houses or three-bedroomed houses which could be allocated to young married couples. Because the Government have cut back on finance, properties for the elderly are not being built. What does the Minister intend to do about that?

Sir George Young: I hope that the hon. Gentleman will recognise that local authority renovations in 1984

added 5,200 to the figures which I have just given and that the number of housing association schemes has risen from 1,800 to 2,500. The figures indicate a rising trend, which I hope he welcomes.

Mr. Dickens: Do not the figures announced by the Minister this afternoon represent a good record for pensioners? Do not the figures illustrate vividly that pensioners, in terms of pensions and living accommodation, are far better off under the Conservatives?

Sir George Young: I am grateful to my hon. Friend for his robust defence of Government policy. It is worth remembering that a growing number of pensioners are owner-occupiers and have a substantial equity in their own homes. They do not look to the local authority for accommodation in their retirement, but are happy to buy leaseholds on suitable accommodation provided by the private sector—a fact overlooked by the hon. Member for Ashfield (Mr. Haynes).

Housing Investment

10. **Mr. Hardy** asked the Secretary of State for the Environment if he will list those local housing authorities which have expressed approval of current Government policy in respect of housing investment.

Mr. Gow: No such list is maintained.

Mr. Hardy: Does the Minister accept that if there were a list it would be incredibly short? Is he aware that the majority of housing authorities which have to face staff decay and the reality of need, even if Conservative, would be exceedingly critical of present policy? Has the Minister seen the pertinent comments by the retiring ombudsman about improvements, or does he think that everyone other than Ministers is out of step?

Mr. Gow: The common experience of mankind is that all those who receive allocations would like more. The House should understand that.

Mr. Marlow: Given the appalling record of mismanagement by many Labour-controlled local authorities, instead of listening to their whingeing about not having the funds and not being able to cope, why does my hon. Friend not require them to hand over much of their housing to skilfully managed private sector companies, which would have three advantages: first, they would not be politically motivated, secondly, they would be using private not public funds, and, thirdly they might actually know what they were doing?

Mr. Gow: My hon. Friend rightly draws attention to the importance of improving the management of our public sector housing stock. My hon. Friend the Under-Secretary of State last month launched the urban housing renewal unit, which is devoted to a much closer partnership between the public and private sectors in trying to find solutions to our housing problems.

Mr. Chris Smith: Since 100,000 homeless families report to local authorities every year, since millions of families are badly housed and in need of council accommodation and since 400,000 construction workers are on the dole, costing the British Exchequer £2,400 million a year, would it not make social, compassionate and economic sense to put those people to work building more houses?

Mr. Gow: The whole House is concerned about the problem of homelessness.

Mr. Dobson: Humbug.

Mr. Gow: It is unworthy of Opposition Members to claim a monopoly of compassion. I am looking forward to visiting the Brent, East and Brent, South constituencies on Monday week, when, in the company of the right hon. and hon. Members who represent those constituencies, I shall examine the severe problems of homelessness in that area. A real contribution to solving the problem of homelessness could be made if some of the 25,300 local authority-owned dwellings which have been empty for more than a year were brought back into use.

Mr. Fairbairn: If my hon. Friend wants a cheap way of improving housing imvestment, will he immediately sell off the historic buildings in which his Department keeps sculptures, which are surrounded by neat little lawns with expensive little notices telling us that we are not allowed to walk on them, so that the buildings can be restored as homes for people by people who care about old buildings?

Mr. Gow: I am not sure that I entirely understand my hon. and learned Friend's suggestion but as it comes from him I shall examine it most carefully.

Mr. Rooker: If the Minister and, indeed, the Secretary of State are so concerned about the homeless, why is the Department refusing to have a British element in the 1987 International Year for the Homeless? Secondly, does the hon. Gentleman agree that an element of Government policy should be investment in housing, including repairs, new build and renewal, at a rate that is at least equal to that of deterioration?

Mr. Gow: I shall discuss with my right hon. Friend the Minister for Overseas Development, who represents the sponsoring Department, the first issue raised in the hon. Gentleman's supplementary question. Secondly, my hon. Friend the Under-Secretary of State told the House earlier this afternoon that £1 billion a year from housing investment programme allocations is being spent on the repair of our local authority housing stock. In addition, another £1 billion a year is being spent from the housing revenue account.

Southwark Borough Council

12. **Mr. Gerald Bowden** asked the Secretary of State for the Environment how many meetings there have been between officials of his Department and senior officers of Southwark borough council since the beginning of 1985; and what were the reasons for such meetings.

Sir George Young: There have been two such meetings this year: a discussion about the redevelopment of the Bonamy estate and one about the disposal of land on the borough's land register. However, my hon. Friend the Minister for Housing and Construction is arranging to meet the elected representatives of Southwark, together with their officials, in the near future to discuss the unwarranted delays being experienced by tenants seeking to exercise their right to buy from the council.

Mr. Bowden: I thank my hon. Friend for his answer. I hope that when the meeting takes place my hon. Friend the Minister for Housing and Construction will tell the

officials of Southwark borough council of the frustration, anger and disappointment that so many of my constituents feel because of the lack of progress with their right-to-buy applications? Will he say what he intends to do about the incompetence and intransigence of Southwark borough council in dealing with the applications?

Sir George Young: I understand my hon. Friend's indignation. He has been in regular contact with my Department about the frustrations of the tenants in his constituency. My Department has formally warned the council under section 23 of the Housing Act 1980 that we are contemplating intervention. Before we take that step we wish to discuss the issue with councillors and officials in the near future. Southwark borough council indulges in meaningless procedural requirements, which delays the opportunity for tenants to buy their homes.

Mr. Simon Hughes: Will the Minister think again about the powers of the ombudsman? It appears that Southwark and many other authorities are guilty regularly of what is found to be maladministration. There will be no effective remedy until the ombudsman is given power to impose a solution when a local authority is not going about its affairs properly.

Sir George Young: I have noted what the hon. Gentleman has said. I have no doubt that the Government Departments that are responsible for these matters will take account of what he has said and consider whether there is any remedy for the injustice that he has described.

Business Rates

13. **Mr. O'Brien** asked the Secretary of State for the Environment what responses he has received to his letter of 8 March asking for details of the effects of business rates on the location of employment.

Mr. Kenneth Baker: I have received six replies from organisations I consulted. A number of other bodies have also volunteered their interest.

Mr. O'Brien: Will the Minister accept the conclusions of the Cambridge report entitled "The Effects of Rates on the Location of Employment"? The report was commissioned by the Government at a cost of £50,000. It concludes that there is no evidence that rates or rate increases have an effect on employment. It states also that rating does not have an effect on the location of employment in local authority areas. Will the Minister accept the report in full?

Mr. Baker: The dossier which the CBI sent to me does not support what the hon. Gentleman says. If he believes what he says, let him make a speech in Birmingham, where the rates have gone up by 42p this year, or in Newcastle, where they have gone up by 54p. Let him try to persuade the business men in those two great industrial cities that rates are not important.

Mr. Fallon: Is my right hon. Friend aware that a department store in Darlington has a rates bill this year of over £250,000, that many smaller businesses have to pay rates of over £100 a week and that high rates in the north are not only driving businesses away from the region but are dissuading them from coming to the north?

Mr. Baker: My hon. Friend is right — and hon. Members on both sides of the House know from experience that he is right—in saying that high rates by high-spending authorities affect areas adversely. That is true both in jobs and in the domestic area.

Mr. Straw: Why is the Minister refusing to accept the conclusions of the independent study which his Department established? Does he appreciate, since he referred to Birmingham, that that city had the fastest rate of job loss when the Conservatives were in control there and that the rates fell? Is he aware that the report not only said that there was no relationship between rates and unemployment but that it went on to say that higher levels of spending in Labour areas led to higher levels of employment? As there is now clear evidence that Labour policies by Labour-controlled authorities are working to bring down unemployment, when will the Minister change his policies, which have led to massive cuts in services and jobs and have in no way helped the businesses which he claims to represent?

Mr. Baker: The hon. Gentleman lives in an unreal world. After the big increase in Birmingham, Ericsons told the leader of Birmingham city council:

> "Your decision to increase your prices, the rates, by 43 per cent. has, at a stroke, reversed our attitude towards our planned further expansion in Birmingham."

That is the real world. High rates affect business decisions and employment.

Written Questions

3.32 pm

Mr. Gerald Kaufman (Manchester, Gorton): On a point of order, Mr. Speaker. I wish to draw your attention to, and ask your advice about, written question No. 104, which stands in the name of the hon. Member for Westminster, North (Mr. Wheeler), which appears at page 4454 of the Order Paper and which, according to the note on the Order Paper, was tabled only yesterday, but nevertheless will be answered immediately today. That question, clearly put down at the instance of the Home Secretary, asks

"the Secretary of State for the Home Department, whether he has decided on changes to the immigration rules to comply with the recent judgment of the European Court of Human Rights."

It is clear that the Home Secretary is using this planted question as the occasion to make an announcement about his decision on the matter.

On 3 June I moved a Standing Order No. 10 motion that we should debate this subject, but you, within your discretion, decided that that was not the occasion for such a debate. A month later, the Home Secretary, speaking about the matter, said:

"I made it clear at the time of the decision that we would take whatever steps were necessary to ensure that we were complying with the convention as interpreted by the Court. I hope to announce our plans for doing so shortly."—[*Official Report*, 4 July 1985; Vol. 82, c. 508.]

The implication to a large number of people of a statement such as that by the Home Secretary must have been that he would make an announcement to the House about the Government's decision on a matter of enormous constitutional and human importance to many thousands of women in Britain.

What will now happen is that a written answer will be made available to the hon. Member for Westminster, North and to the press. It will be available to the news media for the rest of the day and be subject to the news management of the Home Office during that period. However, the House will not have an opportunity to question the Home Secretary about his decision.

I am therefore asking you, Mr. Speaker, in your role as guardian of the rights of hon. Members to explain how we can secure a statement to the House by the Home Secretary in oral form so that we may question him on a decision of very great importance indeed.

Mr. Speaker: The right hon. Gentleman well knows that it is not for me to summon Ministers to make statements. I have no authority over that. It is some three or four years since I heard the phrase "planted question", so I do not know what the right hon. Gentleman means by that, either. Copies of written answers are always available in the Library, so the right hon. Gentleman and other hon. Members who are interested in the subject—I know that many are — will have an opportunity of seeing the answer to this question.

Mr. Andrew Faulds (Warley, East): Further to that point of order, Mr. Speaker. Planted questions answered by putting the replies in the Library does not give Members of the House of Commons an opportunity to pursue this highly important——

Mr. Speaker: Order.

Mr. Faulds: It is totally unacceptable.

Mr. Speaker: Order. I said that I had no knowledge of this planted question theory.

Mr. Jeremy Corbyn (Islington, North): Further to that point of order, Mr. Speaker. As the answer that the Minister will give is a matter of law and might require a change in the immigration rules, would it be in order for him to make a statement, as he must before such changes can be put into operation, so that he can be questioned and these matters can be debated on the Floor of the House?

Mr. Geoffrey Dickens (Littleborough and Saddleworth): Further to that point of order, Mr. Speaker. The shadow Home Secretary raised a point of order, but are we not just being presumptuous, because many times when we table questions we get a holding answer saying that the Minister will make a statement shortly? How on earth can we now discuss what might be in an answer when we have not yet seen it?

Mr. Laurie Pavitt (Brent, South): Further to that point of order, Mr. Speaker. This procedure is within the rules of the House, but Ministers are aware of special interest. I received letters this morning from two Mr. Patels, which are fairly typical of my mail. They have fiancée problems. The Home Secretary is aware that certain areas and certain hon. Members have a specific interest. Is it not your experience, Mr. Speaker, that when this kind of thing has occurred the Minister concerned has informed individual Members and given them the opportunity of contacting the Minister's private office on the matter?

Mr. Merlyn Rees (Morley and Leeds, South): Further to that point of order, Mr. Speaker. I acccept what you said, that this is not a point of order, but may we have your advice on the matter? Giving a written answer to a question, whether planted or not, is giving information to Parliament, and is within the rules. However, this is a most important matter, and for the Government to proceed in this way is wrong. We need to discuss it.

Several hon. Members *rose*——

Mr. Speaker: Order. None of this is a matter for me. I also am a constituency Member of Parliament, and I have an interest in the matter, too. I have not seen the answer to the question. I shall be sending to the Library also. It is not a point of order for me.

Mr. David Winnick (Walsall, North): Further to that point of order, Mr. Speaker. You have stated that it is not a matter for you, and we understand that. No doubt Ministers will argue that the procedure is in order. However, would I not be right in saying that when a matter is controversial, hon. Members should be able to question Ministers? Does not the procedure that has been adopted illustrate the contempt that Ministers have for the House of Commons?

Mr. Speaker: Order. We do not know whether the matter is controversial. I have not seen the answer.

Mr. Peter Pike (Burnley): Further to that point of order, Mr. Speaker. You will appreciate that I have asked several questions on the issue recently. I was contacted by the press this morning and virtually told the answer. Many newspapers are running this as an important issue in their evening editions. I recognise that a planted question is not an issue for you, Mr. Speaker, but if the answer is known, and has been given to the press, is that not a matter for you?

Mr. Speaker: The House well knows my oft-repeated comments on this matter. If the press has information that is embargoed, it should never make use of it before hon. Members have had an opportunity to see the answer.

Several hon. Members *rose*——

Mr. Speaker: Order. I cannot take any further points of order on this matter. The House well knows that it is not a matter for me. It will have to be pursued in other ways.

Mr. Kaufman *rose*——

Mr. Speaker: I shall hear the right hon. Member.

Mr. Kaufman: Thank you, Sir. May I put this to you, in the presence of the Government Chief Whip? Since I raised my point of order, evidence of concern in the House has manifested itself—[HON. MEMBERS: "No."]—and it is clear that if you had not decided to curtail any further points of order it would have manifested itself further. That being so, may I say, in the presence of the Government Chief Whip, that I hope that the Government will take account of what has been said this afternoon, that they will consider the comments carefully and that they will come back to the House with a response.

Mr. Dennis Skinner (Bolsover): Further to the point of order, Mr. Speaker.

Mr. Speaker: Is this a different point of order?

Mr. Skinner: It is adjacent to the matter that is being discussed.

On Monday there was a fairly considerable change in the Government's policy — for which they are, of course, not responsible. The Government decided to relax trade with Argentina. The information came in the form of a written question and answer. Some would say that it was a planted question and a planted answer. However, we are not into that, because we have heard enough about it.

I should have thought, Mr. Speaker, that you, as the custodian of our affairs, would want the House of Commons, at all times when this is possible, to be able to debate the issues of the day. On Monday, I and others said, "Is it not a scandal that we have a written question and answer on trade with Argentina being relaxed?" At one time, that was a big affair. Today, my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) has raised another issue. I took only a passing interest in that matter. The Home Secretary made a promise to the House —not just to my right hon. Friend, but to Mr. Speaker —that this matter would be dealt with in the House. He was saying that you, Mr. Speaker, would be in charge of the proceedings when the matter was raised.

The last thing that we want is for the Front Bench continually to be heaping insults upon the Chair. I make a suggestion along the lines of your statement last week, after you were faced with a problem. You gave an off-the-cuff response, but came back a few days later—I do not want to have to repeat this story, because it is difficult to remember and difficult to digest—and said, "In future, I shall look at matters in a more studied fashion."

You have heard the complaints about the Government's growing practice of abusing the form of written questions and answers. I suggest that you examine this matter and return with a statement on a future occasion.

Several Hon. Members *rose*——

Mr. Speaker: Order. It is plainly not a question on which I can make a statement. It is nothing at all to do with me. The House well knows that this is a matter for the Government. Whether statements are made, whether answers are given and whether written or oral questions are asked has nothing to do with me.

Mr. Michael Meadowcroft (Leeds, West): On a separate point on the same issue, Mr. Speaker. May I put it to you that you are the guardian of Back Benchers' rights in the Chamber? We respect your task. Some of us have many cases relating to the particular problem of the immigration of fiancées. The problem is that, once the issue is raised in the press as a result of a reply to a written question, a number of our constituents will come to us with different parts of the reply. If we have no opportunity in the Chamber to ask the Minister questions on the different aspects, we have no way of answering our constituents' questions. Is it not part of your duties, Mr. Speaker, in protecting the rights of individual Members who are faced with these problems, to ensure that the information comes to the House in the proper way?

Mr. Speaker: Order. The House has never given the Chair that responsibility. It is not a matter for me.

South Africa (Sanctions)

3.44 pm

Mr. Richard Caborn (Sheffield, Central): I beg to move,

That leave be given to bring in a Bill to establish machinery to impose economic sanctions on trade with South Africa subject to conditions relating to the system of apartheid operated in South Africa.

It is extremely unfortunate that the subject of sanctions against South Africa has to come before the House of Commons in the form of a ten-minute Bill. The people of this country would have expected the Government to have given time for a full debate on what is an extremely important issue.

The Bill has five main elements. The first is to give the Secretary of State, by order, the power to control the import and export of goods to and from South Africa. That is a general provision. Secondly, there is a power to stop the import or export to or from South Africa of oil or products derived from it, coal or products derived from it, uranium and all militarily strategic goods of a description included in groups 1-4 of part II of schedule 1 to the Export of Goods (Control) Order 1985. Thirdly, there is the element that gives the Chancellor of the Exchequer power to prohibit and regulate transactions between the United Kingdom and South Africa relating to individual residents in or bodies corporate registered in South Africa, directly or indirectly, of gold, currency payments, securities, debts and the import-export transfer and settlement of property. Fourthly, the Chancellor of the Exchequer shall prohibit the import of Krugerrands, dealing in gold and currency, the payment of any capital moneys, directly or indirectly, to any person resident in South Africa or body corporate in South Africa. Fifthly, there is the power to request Her Majesty, by Order in Council, to effect the United Nations Council on Namibia decree No. 1.

The position in South Africa is deteriorating daily. I have heard and seen that on the radio and television today. Over the past nine months there have been over 500 deaths in that country, the vast majority of which have been at the hands of the security forces or the police.

In the past week the South African Government's think-tank report proclaimed that apartheid has failed to solve South Africa's racial problems, and warned that attempts to enforce it would only exacerbate racial tension. That long-awaited report from the Government-funded Human Science Research Council recommended talks with the leaders of all races and the establishment of a democratic system open to all South Africans. The report also noted that nearly 66 per cent. of the black population favoured the use of violence to bring about change. I and many people believe that that shows that the level of repression in South Africa is such that the majority of blacks are prepared to resort to violence to secure basic freedoms.

One of the report's most striking points is the acknowledgement that the security legislation, whilst theoretically designed to ensure the security of the state, has, in practice:

"been largely employed to deal with persons and organisations engaged in extra-Parliamentary opposition to Government racial policies."

The report concludes that the security legislation is

"a threat to the security of the state . . . the mistrust of a legal system is one of the strongest incentives for revolution."

That comment is made in a report on the internal problems of the country funded by the South African Government. The South African authorities clearly break and disregard international law with their illegal occupation of Namibia and by acts of international terrorism — we have heard some prominent people talking about international terrorism — such as their bloody incursions last month into Botswana, when a number of innocent men, women and children were killed, and the attempted sabotage of an American oil installation in Angola.

When South African subjects carry out illegal acts in the United Kingdom—as the Coventry four trials have shown; the results are in this morning's newspapers—the South African Government openly defy the British Government's request for the return of South Africans who were involved in that illegal act, although the bail conditions were underwritten by the South African embassy in London. The bail amounted to some £400,000. The decision not to return those people to stand trial in the United Kingdom was a political decision by the South African Government.

The British Government's response to acts of international terrorism, which resulted in bloody slaughter within a Commonwealth country, is to call in the South African ambassador and to slap his wrists. I asked a question about the number of visits the South African ambassador has had to the Foreign Office and the reply states that there have been seven since August 1984. There is a path between Trafalgar Square and the Foreign Office where from time to time one might bump into the ambassador for South Africa. The Government did not even recall their ambassador from South Africa for consultation, which would at least have shown some visible signs of disapproval. Even the Americans recalled their ambassador. Against this background of growing tension and conflict the international community are taking steps in one form or another to bring pressure to bear on the South African authorities to introduce fundamental reforms to give the majority of people in South Africa their basic democratic rights and freedom.

In the United States over 20 Bills have been submitted through Congress with Republican and Democratic support and in the next few weeks the President of the United States of America will have to make a decision either to continue with his policy of constructive engagement or to support the majority decisions of the Congress. In Canada, only this past weekend, a package of economic sanctions against South Africa has been announced as part of the international action aimed at getting Pretoria to abandon apartheid.

The Nordic states have acted jointly to halt flights to South Africa. The Swedish Government, in June, recommended severely curtailing contacts with South Africa. A seven-page Foreign Ministry report urged that cultural, scientific and sports contact with Pretoria be avoided so as to express Sweden's disapproval of apartheid. France has announced measures against South Africa. The European Parliament in April, agreed a resoulution which outlined actions that should be taken against South Africa and called on the Council of Ministers to act forthwith.

Only yesterday in London the Commonwealth Committee on South Africa fully supported the Security Council resolution No. 566. These are only an illustration of what is happening on the international front. All these countries and organisations are rejecting the theory of constructive engagement. The only country that is openly

advocating the status quo is our own, leaving us in total isolation and apart from the rest of the international community, which can be clearly seen as siding with the apartheid regime. The United Kingdom has a very important role to play in bringing about change in South Africa. Since 1979, when the Labour Government left office, we have invested something over £300 million each year. That is an increase since 1979 of 600 per cent.

On the question of trade, the Government have openly encouraged trade with South Africa, spending over £600,000 of taxpayers' money in promoting 85 trade missions since 1979. We are the biggest international prop to the system of apartheid. The arguments we have heard from the Foreign Office against the limited boycott of South Africa are twofold. First, it is said the blacks in South Africa are divided about sanctions. It is a bit difficult to take a Mori or NOP poll in South Africa on this question, particularly when the answers one may give could land one in jail and up until recently carried a minimum sentence of five years' imprisonment. The South African Council of Churches stated in a six-point recommendation that disinvestment was, and I quote

"one of the few remaining methods to achieve justice without violence".

The second argument put forward by the Government is that sanctions do not work, but when pressed to apply limited sanctions, such as no new investment, they argue, because one has conceded the principle of sanctions, further actions and measures would be required if the limited sanctions do not work.

We have the sports boycott through the Gleneagles agreement. We have the arms embargo through the United Nations. I challenge the Government, in the face of mounting international pressure to say that this will not work. I repeat the words of Bishop Tutu when he appealed to the people of the United Kingdom at St. Pauls' last November to

"ensure that your country exerts political, diplomatic, but above all economic pressure on the South African Government to persuade it to go to the Conference Table of a National Convention with the authentic leaders of all sections of our community, and for us blacks it would mean our real leaders, now in jail or in exile."

I ask the House to reject the argument from the hard line Members on the Conservative Benches. We want to rid South Africa of 20th century slavery, which is what segregation and apartheid means, and to stop the United Kingdom from becoming isolated in the international community. I ask the leave of the House to bring in this Bill.

3.54 pm

Mr. John Carlisle (Luton, North): Mr. Speaker——

Hon. Members: Shame.

Mr. Speaker: Order. The hon. Gentleman has a right to be heard.

Mr. Carlisle: My right hon. and hon. Friends and I sat and listened to the epistle read out by the hon. Member for Sheffield, Central (Mr. Caborn) with a certain amount of interest, but a certain amount of sadness.

Mr. Roland Boyes (Houghton and Washington): On a point of order, Mr. Speaker.

Mr. Speaker: Does it relate to this matter?

Mr. Boyes: Yes it does. Will the hon. Member for Luton, North (Mr. Carlisle) tell the House whether he has any interest in South Africa?

Mr. Speaker: Order. If the hon. Gentleman has a financial interest, no doubt it will be in the Register of Member's Interests. *[Interruption.]* Order. The hon. Gentleman has hardly begun.

Mr. Carlisle: The predictability of the Opposition in their usual question to me is answered in the Register of Members' Interests, as you say, Mr. Speaker. I have nothing further to add. I was tempted to ignore the squalid introduction given to the Bill by the hon. Member for Sheffield, Central. Perhaps if it had not been for his emotive language, the ignorance that he displayed and——

Mr. David Winnick (Walsall, North): On a point of order, Mr. Speaker. You said that no doubt the hon. Member would declare his financial interest. The hon. Gentleman has referred to the Register of Members' Interests, but how can we know what is in that register at this stage, and how can the public know? As I understand it, the hon. Gentleman has conceded the fact that he has had a number of free trips to South Africa. He has a duty and an obligation to make it clear that he has been to South Africa at the expense of the South African authorities.

Mr. Speaker: Order. It is a matter of honour for hon. Members to declare any interest in the Register of Members' Interests. If the hon. Member for Luton, North (Mr. Carlisle) has any other interests, I am sure that he will declare them.

Mr. Carlisle: The hon. Member for Walsall, North (Mr. Winnick) has put that point many times and obviously does not remember much of what he says in the House, which is of benefit to us. He should know, as I have declared to the House, that I have no financial interest in South Africa.

The House has been asked to hear the usual parade of conscience by a member of the anti-apartheid movement, supported by Labour Members. It is a conscience that they see fit not to parade when they talk about human rights in other countries.

Mr. Andrew Faulds (Warley, East): That is not true.

Mr. Carlisle: I will concede, as I have always done, that I find apartheid a violation of human rights, and I abhor the system. I have always said so publicly and I repeat that assertion today. However, the House has to ask itself whether the introduction of the Bill will be of any benefit to those whom it is intended to benefit—that is, blacks in South Africa—and what effect those sanctions would have upon the blacks in South Africa and the many other people in South Africa who should also be remembered.

What the Opposition and those who advocate sanctions do not understand is that they will create an enormous loss of jobs in South Africa. A 20 per cent. disinvestment by the west would see a loss of 90,000 jobs for the whites within the South African economy and the loss of 350,000 jobs for the blacks. I should not wish to advocate that for a policy.

The second effect of sanctions on South Africa is the fact that many foreign workers, of whom there are about 1 million in South Africa, would have to leave the country and that is understandable, given the unemployment

[Mr. Carlisle]

position. The third effect is perhaps one of the most telling and sad facts about this Bill. It would halt those reforms that have recently taken place in South Africa.

As usual, Labour Members have jeered ironically, and I would admit that those reforms are inadequate in terms of western ideals. We must recognise that reform there has been, and the advancement of the black in South Africa has been considerable in South African terms over the past five to 10 years. This measure would halt those reforms in their tracks, and I remind hon. Members that the changes that took place in the United States and advanced the blacks in America occurred in conditions of economic prosperity and not in the conditions that Labour Members want to see, of economic depression.

The last effect that this Bill and disinvestment would have upon South Africa is that they would undoubtedly increase violence in that society. I suspect, and I say no more, that there are many Opposition Members who would wish to see that violence increase against the elected South African Government, whether that Government be elected by the whites alone or by the whites, and the coloured and Indian populations. The case is severely undermined by the violence in that country perpetrated by the ANC and others who would, of course, welcome disinvestment.

If we are to have some sort of influence—and here I have a genuine sympathy and understanding with the Opposition — upon the South African Government, surely we would be better able to exercise it on the basis of some form of involvement with British companies investing in that country, rather than trying to disinvest and cutting ourselves off from them. The record of British companies in South Africa is extremely good and the wages of 98 per cent. of the black workers is above the EEC code laid down in Europe. We must ask ourselves whether this measure and the measures proposed by the United States Congress will benefit the blacks. I suggest they will have the opposite effect.

Evidence put forward by various commentators against disinvestment is very considerable. The opinions of the hon. Member and his hon. Friends are in a minority, certainly in South Africa as well as in the rest of the world. Prominent people like Alan Paton, who is no supporter of the South African Government, has said there should never be disinvestment. Even Bishop Tutu, who was mentioned by the hon. Member, caused some consternation when he questioned whether disinvestment would have any effect. I leave the house with the words of Chief Buthelezi who leads some one million blacks of the Inkatha tribe in South Africa, whose word I would trust rather more than the ignorant words of the hon. Member for Sheffield, Central. Chief Buthelezi says:

"If the West wants to increase black bargaining power it must double up on its investments, not disinvest."

For that reason and certainly for the good of the black people in South Africa, I ask the House to reject the Bill.

Question put and agreed to.

Bill ordered to be brought in by Mr. Richard Caborn, Mrs. Ann Clwyd, Mr. Derek Fatchett, Mr. Andrew Faulds, Mr. Robert Hughes, Mr. Peter Pike, Mr. Allan Rogers, Mr. Ernie Ross, and Mr. David Winnick.

South Africa (Sanctions)

Mr. Richard Caborn accordingly presented a Bill to establish machinery to improve economic sanctions on trade with South Africa subject to conditions relating to the system of apartheid operated in South Africa: And the same was read the First time: and ordered to be read a Second time upon Friday 25 October 1985 and to be printed. [Bill 190.]

Orders of the Day

Finance Bill

Not amended *(in the Committee)* and as amended *(in the Standing Committee)*, considered.

New clause 9

MITIGATION OF CORPORATION TAX LIABILITY OF INDUSTRIAL AND PROVIDENT SOCIETIES AND HOUSING ASSOCIATIONS

'(1) Where in any accounting period of a body to which this section applies the rate of corporation tax exceeds such special rate as Parliament may fix for the purposes of this section the body may claim that the corporation tax charged on the income of that body for that period shall be calculated as if the rate of corporation tax were equal to that special rate.

(2) The bodies to which this section applies are:

(a) any registered industrial and provident society as defined in section 340 of the Taxes Act and any such co-operative association as is mentioned in subsection(8) of that section;

(b) any housing association for the time being approved for the purposes of section 341 of that Act;

not being a society, association or company under the control (within the meaning of section 302 of that Act) of one or more companies which are not themselves bodies to which this section applies.

(3) For the purposes of this section the income of a company for an accounting period is its income charged to corporation tax for that period as defined in section 85(6) of the Finance Act 1972.

(4) The special rate for the purposes of this section shall have effect for the financial year 1985 and subsequent years and be 30 per cent.'.—*[Mr. Hattersley.]*

Brought up, and read the First time.

4.7 pm

Mr. Roy Hattersley (Birmingham, Sparkbrook): I beg to move, That the clause be read a Second time.

The purpose of the new clause is to provide what is wrongly, though properly, called a special rate of corporation tax, a rate of 30 per cent. which this new clause would apply to registered industrial and provident societies and to housing associations. The incidence of this tax would be importantly felt and is desperately needed by housing associations and co-operative societies.

I said that I regarded the term "special rate" as something of a misnomer, because the idea of a special rate implies, and certainly in uninformed circles is taken to mean, that something to the advantage of the group in question is being proposed. This clause deals with the rate of corporation tax paid by industrial and provident societies and housing associations. It is not demanding, and I am not asking for them to be specially advantaged. I am asking that that group of institutions should be removed from their present situation, in which they are disadvantaged compared with their commercial competitors.

Some of my hon. and right hon. Friends may argue — I would argue on another occasion — that the advantages of these non-profit making institutions are such that they should be given a positive advantage from corporation tax. But that is not what we are arguing for today. We are asking for their treatment to be comparable with and no worse than that which is given to commercial companies. The new clause merely seeks to relieve the societies and the associations of the discriminatory tax penalties which they presently suffer as a result of last year's Finance Bill.

When we sought to amend last year's Finance Bill to avoid these unfair penalties, I assumed that the Government in reforming corporation tax — as they chose to describe their proposals—had simply forgotten the effect which their proposals would have on friendly societies, provident and industrial societies, co-operatives and housing associations. I assumed that they had not realised the necessity of making special arrangements for these institutions to ensure that they would not be disadvantaged. It is impossible for me to be so charitable this year. The Government must know of the damage that their tax policy is now doing to these institutions, yet they have chosen to do nothing to rectify the injustice of last year's Bill.

Last year, when I moved the amendment which would have avoided the injustice coming about, the Financial Secretary sought to rebut the Opposition's arguments simply by saying that all tax innovations ought to be welcomed and that only fiscal conservatives would oppose a change of this kind. I understand why anyone who is responsible in any degree for Government economic policy welcomes changes of any description, but I cannot support a change—I did not support it, and I now want to remedy that change—that puts an important section of the economy at a disadvantage.

Now that Treasury Ministers have had a year to ponder the injustice, I look forward to hearing whether it will be argued that no such injustice exists or whether it will be said that the injustice exists but that it is just the bad luck of the institutions involved. My suspicion is that the failure to remove it is at least in part the result of the Government's prejudice against some of these institutions, co-operative societies especially.

The problem faced by the co-operative societies is easy to describe. When, in 1965, corporation tax was introduced, the rate of 40 per cent. was applicable to all companies — large and small companies and industrial and provident societies. In the early 1970s, the assessment of corporation tax was changed to what is called the imputation system. That system gave relief to businesses in respect of advance corporation tax on distributions. But since industrial and provident societies by their nature could not make such distributions, they were not originally required to pay the tax at the full rate. So when the imputation system was first introduced there were two special categories of enterprises which faced special problems for which the Government made special and necessary allowances. They were co-operatives and the like and companies or institutions which could not, sometimes by rule and often by practice, make the normal level of dividend distribution. Special arrangements were also made for small concerns which distributed a smaller proportion of their profits than the new rate of corporation tax hypothesised — 52 per cent. based on average distribution, which was anticipated to give a 40 per cent. yield.

At that time, the Government accepted that in smaller firms and institutions where the proportion of profit distributed was smaller than in normal commercial undertakings, a special accommodation had to be made. To accommodate the small companies, the small company

[Mr. Roy Hattersley]

rate was introduced. Initially, it was 42 per cent. Then it was 40 per cent. Then it was 30 per cent. That was designed as a special encouragement to small firms.

The Government of the day acknowledged that a parallel position existed in and for the institutions listed in the new clause. They acknowledged that co-operative societies by their nature distributed a smaller and a fixed percentage of their profits. Therefore, a special rate was fixed for them.

The differential between normal commercial companies and friendly, industrial, provident and co-operative societies was not meant to favour the latter group. It was not meant to ensure that those institutions paid less than others in tax. It was meant to give them equality of treatment.

The point was described exactly by the hon. Member for Croydon, South (Sir W. Clark) in Committee on last year's Finance Bill. I did not warn the hon. Gentleman of my intention to quote his words because I felt certain that he would be here to take part in the debate. I am gratified to see that my judgment on that issue about him is correct, and I repeat that I cannot imagine a better way of describing the position than that which he used a year ago. He said:

"if one accepts the principle of the differential between imputation where one can and cannot distribute, there should be a lower rate for building societies, and presumably co-operative societies, so that we still maintain the justice effected in 1972." —[*Official Report*, 1 May 1984; Vol. 59, c. 286.]

4.15 pm

The new clause seeks to restore the justice that the Government in 1972 believed to be proper. Yet last year the justice effected in 1972, in the hon. Gentleman's terms, was removed. Co-operatives are now taxed at full corporation rate, whilst private and commerical companies are allowed to deduct their shareholders' liabilities on the distributions which are made.

When the special rate for co-operatives was withdrawn last year, I am told that the Co-operative Union, speaking on behalf of co-operative societies in general, met the Inland Revenue. The Co-operative Union assures me that the Revenue itself, acting as the Revenue always does in a role almost independent of that of the Treasury and its Ministers, agreed that to introduce the scheme proposed in last year's Finance Bill and to abandon the special rate for co-operatives would be to militate against the interests of co-operatives in a way which placed them at a severe fiscal disadvantage to their commercial competitors.

The talk about fiscal neutrality does not appear to apply to co-operative societies, to industrial and provident societies, to friendly societies and to housing associations.

Mr. Alfred Morris (Manchester, Wythenshawe): My right hon. Friend is on to a very important point in arguing for, in effect, simple equity. He is making a compelling case, and I welcome that as chairman of the Co-operative parliamentary group in the House. Will he emphasise that a fundamental difference is that a co-operative shareholding is quite distinct from that in a company and that co-operative members do not benefit from rights issues? Again I am extremely grateful to my right hon. Friend for the very strong and unanswerable case that he is advancing.

Mr. Hattersley: I am grateful to my right hon. Friend as well, because he is right when he says that, by their constitutions, co-operative societies have members—in some cases they are nominally described as shareholders — who do not enjoy the normal privileges and advantages of shareholders. There are no rights issues and no scrip issues, and the proportions of the profits that they receive are always limited by convention, often limited by rule and sometimes limited by law. It is because of the limitation on distribution that, were there not to be a special rate for co-operatives, the co-operatives would be enormously disadvantaged.

By their nature, co-operative societies minimise profits to their shareholders because they exist to maximise benefits to the consumers. Very much the same rule applies with the co-operative wholesale societies in England and Scotland which, although having a new and different constitutional form, nevertheless do not distribute profits in the way which is common in commercial undertakings, and they could not be allowed to do so. It is for the reasons that my right hon. Friend explained that, were they to be treated as if they were normal commercial companies operating under normal commercial rules, they would continue to be disadvantaged in the way that I have described.

When the Financial Secretary wound up last year's debate, he made two points in rebuttal, having criticised the Opposition for not accepting any change, no matter how unjust. First, he said that the problem that we described did not arise, and he added that in any case it arose only in a very few cases. He said that fewer than 30 industrial and provident societies and what he described as rather more than 50 building societies would be adversely affected.

At the end of the debate, I was glad that the hon. Gentleman at least conceded that some of these societies, worthy in themselves and an important part of the economy—the co-operative movement represents 6 per cent. of the total retail trade—were adversely affected by the new rule. But I made it clear on behalf of the Opposition that we regarded this as a gross injustice which ought to be removed if only one society was affected.

However, more and more co-operative societies seem certain to be affected because of the reorganisation now going on within the co-operative societies. They are amalgamating. They are becoming larger. As they become larger, they become more profitable. As they have become simultaneously larger and more profitable, an increasing number are being required to pay a rate of tax which is unjust compared with that of commercial competitors.

I shall conclude—no doubt the Chief Secretary will soon conclude the speech that he will give rather than the one that he is preparing—with three examples of the new iniquitous system, which the Finance Act 1984 brought about. They relate to successful co-operative societies.

The Sheffield society, which was called the Brightside and Carbrook when I was a subscriber, would have paid £510,000 under the scheme that existed before the Finance Act 1984. Under the new scheme it pays £675,000 on exactly the same turnover, and if the new clause is accepted, the tax liability at 30 per cent. will produce a yield to the Treasury of £306,000, which will more or less return it to its position before the discriminatory clause was introduced.

Under the old scheme the Plymouth co-operative society would have paid £20,000. Under the new scheme it pays £708,000, and if my 30 per cent. proposal is

accepted the society will be required to pay £531,000, which is little more than was levied from it under the old scheme, but much more in line with what was regarded as just before the Finance Act 1984.

Under the old scheme the Peterborough society would have paid £705,000, under the new scheme it pays £800,000, and under my scheme it would receive a benefit which would return it more or less to its position before the Finance Act 1984.

We are asking for a return to the position that exised before the Finance Act 1984, which acknowledged that because of the co-operative societies' patterns of profit and dividend distribution, to levy corporation tax on them in the same way as on commercial undertakings would put them at a fiscal disadvantage. Surely that is wrong. I hope that the Financial Secretary will agree to change it.

Mr. Ian Wrigglesworth (Stockton, South): I support the new clause because I welcome the opportunity to support mutual organisations. Yesterday we discussed an amendment which sought to help friendly societies. We all know, especially those of us who come from and represent northern constituencies, of the important social and economic role that mutual organisations, such as friendly societies and co-operative ownership enterprises, have played in the north and, indeed, throughout the country. We should support those organisations because their owners and participants, whether consumers or producers, workers or customers, are motivated by a prime interest in the organisation. They participate in and organise the societies not for private gain, but for the benefit of the co-operative and the community that it serves.

The new clause would help co-operative societies, especially co-operative ownership in housing, which is a relatively recent development. It has become a significant part of the housing sector—some would say not nearly as significant as it should be—only during the past two decades as a result of the pioneering work of a small group of enthusiastic supporters including Mr. Harold Campbell, who played a major role both through the Co-operative Housing Agency and by promoting the idea of co-operative housing in Government circles and throughout the country.

As the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) said, the new clause seeks to extend the lower rate of corporation tax to a variety of institutions defined in the Taxes Act. As I understand it, that includes credit unions, industrial co-operatives, housing associations and self-build societies. In my constituency, self-build societies, co-operative housing bodies and housing associations are making a most worthwhile contribution to the community's housing needs, especially in the south Middlesbrough area.

One of the best features of that development, which my colleagues and I should like to see extended to other areas, is the mixture and proximity of different types of housing ownership. Rented accommodation, self-build accommodation, part-rent and part-owned accommodation, co-operative owned accommodation and privately owned accommodation are together in the same development. That provides both a good social mix and, more importantly, a chance for consumers to have a wide range of opportunities to buy or rent houses, and to participate in housing schemes, as their inclination and pockets will allow. That sort of development, which the new clause would encourage, should be supported by the House.

The trouble is that, even if the Government accept the new clause, it will do little to reverse the dreadful decline in support for this type of housing venture and institution that has occurred since they came to office. There has been a 21 per cent. real fall in gross loans and grants to housing associations since 1982-83. That means that in the north-east the Housing Corporation cannot meet the bill for more than £4 million worth of major repairs to housing association properties, of which some £2·27 million relates to properties for which local authorities are prepared to provide funds, but to which the corporation cannot respond. For a Government who say that home ownership is one of their most important aims in housing policy—they said that in the housing expenditure White Paper—they have been especially tardy in helping the low-cost home ownership programmes, which have become a growing proportion of housing association activity.

4.30 pm

We all know from our experience in our constituency surgeries, possibly from our own personal experience, and from those with whom we have contact, that low-cost home ownership and the role that the housing associations can play in it is vital.

In the north-east, the housing associations were allocated only £16 million, compared to bids of up to £45 million. Therefore, there is a substantial gap between what the associations could do to help the housing needs of the north-east, where the gap is considerable, and what they are enabled to do. We have rehearsed, during general economic debates in this House, the arguments for investment of that sort. It is just the type of investment on which the Government should be embarking at present. There is a real need, in areas such as the north-east, for this type of housing accommodation. There is also a real need for the spin-off in jobs and growth which would arise if the Government were to respond to the bids of £45 million made in the north-east by the housing associations.

In view of the Labour party's new enthusiasm for home ownership, it is interesting to note that in the 1985-86 programme there are only 300 houses under this heading for the whole of Cleveland county, where the smallest number of bids in the north-east region were made. Those are in Middlesbrough, which I have already mentioned. Perhaps some of the local authorities and their representatives on the boards of housing associations should investigate that apparent lack of interest, because many of us believe that the developments in co-operative housing and housing associations in the past 20 to 30 years have led to a third force in housing that is of enormous benefit to the community.

We hear a great deal from the Conservative Benches about the shortage of rented accommodation, but the references are usually to private rented accommodation. In recent time, to the benefit of many communities, there has been an enormous growth in the number of rented units of accommodation available through housing associations as an alternative to council housing. That is a very desirable development. I hope that the Government will support it.

The Conservative Government's limitations on capital finance have already held back the development of housing co-operatives. While the right hon. Member for Sparkbrook and some of his hon. Friends may be enthusiastic about the development of housing co-operatives, which were supported in the past by the late

[Mr. Ian Wrigglesworth]

Tony Crosland and others who established the Co-operative Housing Agency, only 8,000 units of housing have been provided since the Government started to take action in that area many years ago. Those 8,000 units have been provided by about 200 registered co-operatives. One of the reasons for the small number of units is that Labour councils throughout the country have been adamantly opposed to the development of housing co-operatives and housing associations because of the blind ideological commitment of those Labour councils to council housing as the answer—and the only answer—to the housing problems in their areas.

There is no better example than Liverpool. Under the Liberal council, 2,000 homes were provided in over 30 registered co-operatives—a high proportion of the total in the country as a whole. Therefore, it is not surprising that the registered co-operatives in Liverpool have been given a tribute——

Mr. Speaker: Order. The hon. Gentleman is straying rather wide of the new clause.

Mr. Wrigglesworth: I am marshalling the case in support of the new clause, which seeks to aid mutual bodies, such as the housing co-operatives to which I am addressing my remarks. In demonstrating why the new clause should be supported, I think it is appropriate that I should point out the developments that have taken place in housing co-operatives in past years. I have also tried to show why such developments have not taken place more rapidly than some of us would have liked to see.

I was pointing out that one of the reasons for the slow rate of development is the antagonism towards those mutual bodies, which provide housing and other forms of enterprise, by councils such as Liverpool, because of their commitment only to local authority housing. It seems to me that that is a perfectly valid point to make, because the new clause is concerned with encouraging the development of mutual housing associations and mutual bodies which can provide facilities of that sort.

I hope that the House will support the new clause, because the distinctive type of housing that is involved could make a major contribution to the country's housing and social needs. One of the best ways to encourage that sort of development is through the taxation system, and it is wrong that the mutual bodies should not be on all fours with companies in that respect. They should be given the fairly modest encouragement that the new clause envisages. As I said earlier, the new clause would do very little to make up for the deficiences in respect of which the Government have been guilty since they came to office.

I am very pleased that the Government, after some dithering on coming to office, kept the Co-operative Development Agency in existence. The agency is doing a first-rate job but it could be doing a much bigger and better job if more resources were made available to it. In the 1960s and early 1970s, I was, together with other colleagues, responsible for putting together the proposals that led to the establishment of the agency. We also saw it not only as a promotional body but as a body that would provide substantial funding for co-operatives of all sorts. I appeal to the Minister, in considering the new clause, to have regard to the good work of the Co-operative Development Agency and to the extra work that it could do if given more resources.

The case made by the right hon. Member for Sparkbrook in favour of helping mutual bodies also applies to resources for the Co-operative Development Agency. That body, which at national level can do a certain amount, could do a great deal more if it had the co-operation, support and resources of the local co-operative development agencies that local authorities have established in some areas to promote mutual bodies and co-operatives of one sort and another. We want to see the co-operative sector and the mutually owned sector develop as a significant force in the British economy. We want to see bodies with a diverse ownership. That is why in consideration of the Bill last night we proposed amendments to seek to make share ownership in institutions established under the Companies Act much broader, to try to introduce incentives to spread ownership.

We should like to see the co-operative sector as a dynamic and much more substantial third sector of co-operative employee-owned enterprises than is currently the case. We believe that this requires a new framework, including the development of strong co-operative support organisations along the lines of the Spanish Laboral Popular, which has helped to foster the Mondragon group of co-operatives, with which I know many hon. Members on both sides of the House are familiar. That has been an enormous success. There are other reasons, in addition to the support which is being given by that body. The provision of up to 75 per cent. of the finance for new co-operatives is an enormous help to the establishment of such mutual organisations, and we have nothing comparable in this country.

In addition to the modest incentives provided in the new clause, we also want to see a new form of incorporation.

Mr. Hattersley: I would not interrupt the hon. Gentleman's exposition on co-operatives in general and on Social Democratic party policy in particular were he not doing damage to the case which some of us want to make. What we are arguing for in the new clause is not a special incentive. The strength of the case which I have tried to make out, and the strength of the case which the hon. Member for Croydon, South (Sir W. Clark) made a year ago, is not that this proposal provides anyone with some special incentive that gives an advantage, but that, unless the new clause is accepted, people will suffer from a disadvantage. If the hon. Gentleman insists on talking as if he wants to give people some special advantage, he totally undermines the case which he is making for the co-operative movement.

Mr. Wrigglesworth: I do not accept that. I take the right hon. Gentleman's point that it is a powerful argument, when a Conservative Government are in office, to suggest that mutually owned organisations should be on all fours with institutions registered under the Companies Acts, but I should like to think that he and his right hon. and hon. Friends will also accept from me and my right hon. and hon. Friends that the concept of mutual ownership and co-operative ownership is so desirable that it should be encouraged by other incentives, in addition to the modest incentive of putting it on all fours with company-registered institutions, as the new clause proposes.

I was seeking simply to demonstrate our commitment to the co-operative sector. As you will know, Mr. Deputy

Speaker, for many years many of us have had, and continue to have, long associations with that movement, and we believe that a great deal more should be done beyond putting these institutions on all fours, as the right hon. Member for Sparkbrook is proposing.

I will not go into the details of the proposal which we have made for encouraging the co-operative sector. That will no doubt be appropriate on another occasion. New clause 9 is a limited but helpful step in the direction of giving co-operatives and other voluntary developments support on equal terms with conventionally owned companies. I hope that the Government will respond to the pressure that has come from various parts of the co-operative movement, and that they will seek to make up for some of the damage that their other policies have done by accepting what is, after all, a modest and fair proposal.

4.45 pm

Mr. Roger Freeman (Kettering): I wish to associate myself with the remarks of the hon. Member for Stockton, South (Mr. Wrigglesworth) and of the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) regarding not only co-operatives but housing associations. I think that the comments were well taken.

The right hon. Member for Sparkbrook may not be aware that my constituency was and, indeed, still is the home of many well-known co-operative associations, particularly in the footwear industry. At the end of the 19th century, far-sighted employers set up many institutions as workers co-operatives or entities in which the principle of sharing the profits and involving the work force in the management of a company was enshrined. I think that the right hon. Member for Sparkbrook was quite correct. He may be interested to know that my council—which, incidentally, has a Conservative majority—has recently decided to provide finance for our local co-operative development association. One of the best managed co-operatives in my constituency is in Brixworth, which I have visited and which I intend to visit again soon.

Housing associations are very important to my part of the world with its high proportion of elderly citizens who depend a great deal upon the work of institutions such as the Abbeyfield, which in turn depend upon local housing associations for support. Therefore, I agree with the sentiments.

However, I have experienced great difficulty in accepting some of the arguments put forward in the debate. I should like to address some of the arguments, in particular those advanced by the right hon. Member for Sparkbrook. The essence of his argument is that the imputation system, the rate of advance corporation tax, which has been in operation for a decade now, in a sense benefited companies which had a distribution policy and were able to distribute some of their profits by convention or practice. For those entities which by convention or in terms of their own internal statutes or requirements did not distribute profits, his argument was that if one took the old corporation tax rate of 52 per cent., one had to deduct the standard rate of tax, the advance corporation tax, which the company was deducting from the dividend flow and paying to the Inland Revenue, with the shareholder receiving only the net payment and, therefore, 52 per cent., where, in a simplistic world, all the profits were paid out. I make that assumption to simplify the argument, although we know that it is not the case.

At one extreme, if a company paid out all its profits, with a 30 per cent. standard rate of tax and the old 52 per cent. corporaton tax rate, that would bring down the figure to a 22 per cent. rate of tax—mainstream corporation tax, as it is called — which would compare very unfavourably with a lower company rate and, indeed, with the rate at which larger companies would be paying corporation tax. I think that that was the argument that the right hon. Member was advancing.

I have problems with that argument, and I should like to advance three in particular. I will not pursue the obvious argument that companies do not distribute all their profits, but in the argument one would have to make some assumptions about the average rate of dividend distribution in the economy before one could compare those companies which distributed profits with those which did not. I did not pick up the exact calculation which the hon. Gentleman was making on that point, but I know that he shared the point with me.

My three points are as follows. First, it depends on which industry and company one picks before a generalisation can be made about dividend rates. There is no way in which one can make a general argument, as the right hon. Gentleman tried to do, about companies in relation to dividend rates. They vary from industry to industry, from type of company to type of company and from year to year, whether we are in recession or in boom. It may be legitimate to use that argument in a debate, but if the right hon. Gentleman tried to reduce the argument to an amendment or to a new clause to be included in the Finance Bill I think that he would be in serious difficulties because one cannot generalise about the dividend rate. It is a fair debating point, but, in practice and reality, one which cannot be sustained in considering legislation.

I suspect that the right hon. Member for Sparkbrook understands that point. He advanced the argument that a company is interested only in the net cost of its dividends. It assumes that the advance corporation tax that it deducts from dividends and pays to the Inland Revenue is a payment on behalf of shareholders as part of their total tax liability. That is the nature of our tax legislation and I cannot quarrel with it, but the reality is that companies look at their total corporation tax rate, not just at their mainstream rate. That is the rate which is shown in their accounts and which is used by financial analysts and the stock market when it compares the performance of different companies. Companies therefore look at their total corporation tax rate. When the right hon. Gentleman says that he is comparing the 30 per cent. rate for workers' co-operatives, housing associations and friendly societies with a higher rate nominally, but with a lower rate in reality, because of the payment in advance on account of shareholders' liability to tax, that, in the real world, is not the way in which companies look at it. They look at their total corporation tax liability.

Another argument relating to the main philosophical thrust of the right hon. Gentleman's case is that dividends are assessable at the higher rates of tax, not just at the standard rate. He knows that the advance corporation tax that is paid by companies on dividends paid out is added back. The net dividend is grossed up at the standard rate of 30 per cent., the advance corporation tax rate, but the shareholder is liable to higher rates of tax. It is not true to say in a simplistic way that the imputation system to which he referred earlier is simply about the standard rate of tax.

[Mr. Roger Freeman]

It is not. It is about the part deduction by a company of a shareholder's ultimate liability to tax, but one has to look at the total liability of the shareholder.

The right hon. Member for Manchester, Wythenshawe (Mr. Morris) made an interesting point about rights issues but it seemed to me to be a bogus point. He appeared to argue that the entities that the right hon. Gentleman's new clause encompasses—housing associations, workers' co-operatives and friendly societies—do not have rights issues, whereas companies have rights issues, and that there is injustice, in the sense that corporate shareholders benefit from rights issues whereas this benefit is not available to the owners of the entities that are referred to in the right hon. Member for Sparkbrook's new clause.

Many hon. Members will be aware that if one takes up one's rights in a rights issue all that happens is that the total equity of the company may have grown by the subscription of new cash to the company but that there is no change in the financial status of the individual shareholder who takes up his rights. Therefore, I cannot follow the argument of the right hon. Member for Wythenshawe. If a shareholder does not take up his rights but sells them, he is subject to tax, but he gives up part of his equity ownership in the company. He gains cash through the sale of his rights but he forgoes an equal amount in terms of the value of his remaining ownership in the company, assuming that he remains a shareholder. I do not therefore follow the right hon. Gentleman's argument. The fiscal relevance of rights issues is not relevant to the new clause or to the argument upon it.

As for the main part of the right hon. Member for Sparkbrook's argument, he acknowledged that the small company rate of tax is 30 per cent. That rate is referred to in new clause 9. I imagine that the right hon. Gentleman chose that rate not only because it is the income tax rate but because it is relevant to the rate that is paid by small companies. However, the right hon. Gentleman correctly pointed out that he is addressing his argument not to the smaller entities that would pay 30 per cent. but to the larger entities where the rate of corporation tax will be 35 per cent. in the fiscal year 1986. He argued that for the larger entities paying 35 per cent. one must deduct a proportion of the advance corporation tax on dividends paid out to shareholders. That brings the effective rate which should be borne by the company below 30 per cent.

I do not accept that argument. One should stick to the 35 per cent. rate of corporation tax for the larger entities caught by that rate for two reasons. The first is fiscal simplicity. Many farmers in my constituency choose to be taxed at income tax rates rather than at corporation tax rates. They do not incorporate themselves. That may or may not be wise. I submit that it is for the convenience of the business world that there is a 35 per cent. standard rate of corporation tax that will apply from fiscal year 1986 and a lower rate of 30 per cent. That is widely understood, so I am not in favour, unless there are compelling arguments, of variations.

The second and more important point relates to a matter to which the right hon. Gentleman did not refer, namely, the major capital allowance changes that were announced in the 1984 Budget and incorporated in the Finance Act 1984. He knows that many large companies, although on a nominal rate of 52 per cent., were paying actual rates of corporation tax that were considerably less than that. As a general rule of thumb in the banking world one assumed, in the analysis of an industry, that the actual rate of corporation tax was between 25 per cent. and 30 per cent. for industry as a whole. What has happened as a result of the Chancellor of the Exchequer's 1984 Budget and the Finance Act 1984 is the reverse of the right hon. Gentleman's argument. The rates of corporation tax for companies have risen in many instances because capital allowances have been withdrawn. The position of entities like co-operatives and housing associations which did not have the benefit of capital allowances has remained unaltered. The effective rates of corporation tax for service companies have fallen, but for manufacturing industries and for some exploration companies they have risen. The actual rate is very close to the nominal rate. From fiscal year 1986 onwards it will be 35 per cent. Therefore, the injustice to which the right hon. Gentleman referred does not exist.

Mr. Wrigglesworth: Is that not an argument for not abolishing capital allowances? Is that not the core of the argument to which the hon. Gentleman should address himself?

Mr. Freeman: As the hon. Gentleman knows, that is an entirely separate issue which has been debated on its merits: whether there should be specific fiscal incentives for capital investment. I am very much in favour of encouraging correct capital investment, but it must be capital investment in either the public or the private sector that will make an adequate return on outlay. The right way to do that is not by the continuation of our very generous capital allowance system but by proper management systems for the review of capital investment projects and other projects to which I have referred in previous debates on the Budget and the Finance Bill and to which I intend to return later.

5 pm

The right hon. Member for Sparkbrook made a speech at the meeting of the Crosland Society at Trinity college on 7 June 1985. I draw the House's attention to the speech because it explains what sort of entities would benefit from the new clause, and what the right hon. Gentleman has in mind as examples of co-operatives. Towards the end of the speech, the right hon. Gentleman said:

> "We have to realise that if we are commited to a more equal distribution of power as well as of wealth, the old Morrisonian model of centrally controlled public utility does not meet our needs."

The right hon. Gentleman made it clear that old-style nationalisation is no longer relevant to the future of the Labour party or our economy. Some enlightenment from the right hon. Gentleman would be helpful because it is confusing that later in the same speech he spoke about institutions that have been privatised by the Government. The right hon. Gentleman referred to the time

"when a privatised utility is returned to public ownership"

and spelt out the type of control there would be if Labour renationalises British Telecom, British Aerospace — although that is not a public utility—and British Gas which Conservative Members hope that the Government will succeed in privatisating next Session. What does the right hon. Gentleman mean when he refers to the renationalisation of utilities such as British Telecom and British Gas? What type of control will there be? Will they be genuine workers' co-operatives? The right hon. Gentleman ruled out the Morrisonian nationalised

industries. Does the right hon. Gentleman imagine that if British Telecom is returned to public ownership it will be a gigantic workers' co-operative? That is the only conclusion one can draw from his speech.

I can understand the thinking behind the new clause, if the right hon. Gentleman is serious about his intention regarding the 30 per cent. rate of corporation tax for those entities. Perhaps the real reason is to benefit the utilities that the Labour party would renationalise as workers' co-operatives if, heaven forbid, it is returned to power, because they would be subject to this rate of corporation tax. I hope that the right hon. Gentleman will enlighten the House.

Mr. Stuart Randall (Kingston upon Hull, West): I wish only to add a few words of support for the new clause which aims to overcome the tax penalties that emanated from the Finance Bill last year. All sorts of organisations are affected, including industrial societies and other mutual organisations such as the friendly societies and the various types of co-operatives. We have heard from both sides of the House examples of the effect of the removal of the differential rate of corporation tax on those organisations.

We had a long debate on friendly societies yesterday. Already, we have seen that the Government's action is crushing these organisations. My hon. Friend the Member for Workington (Mr. Campbell-Savours) quoted Mr. Madders, the chairman of the friendly societies liaison committee, who said that the Government's action could result in friendly societies becoming extinct. That would be sad because the societies have a long-established tradition and have been in existence for about 100 years. They have served the people of Britain, especially those on lower incomes and in rural areas. The new clause would help the mutual organisations to come to grips with the severe competition with which they must contend.

The Government's line on friendly societies is that if they want to remain alive they must compete in broader areas of business where they would encounter more forms of taxation. They would have to employ staff to overcome the intricacies of tax problems. They do not have the necessary expertise or manpower. They rely on the voluntary help of people who do not have the skill or the time to deal with the complicated taxation matters which the organisations inevitably must deal with if they are to survive in the competitive areas into which Ministers suggest that they should move.

The Government's removal of the differential rate of corporation tax is an additional crushing action on the friendly societies. We argue our case not only from the economic point of view, but from the social aspect. That aspect is most prominent in my mind when considering the corporation tax treatment of friendly societies.

The local postman often plays the role of the deposit collector in rural areas, especially in the north of England. The postman does his rounds and collects deposits. He makes sure that Mrs. Smith is alive and well by checking the milk bottles on her doorstep. We must consider the friendly societies in that context. Social services have been cut; that is a broader issue and I do not wish to go wide of the point, but the social angle must be taken into account when considering the effect of last year's Finance Bill on mutual organisations.

Some hon. Members have mentioned the effect of the changes on co-operatives and much mention has been made of housing associations. I regard my constituency as a deprived area in housing terms and hon. Members who represent deprived parts of the country welcome all initiatives to help overcome the housing crisis which has resulted from the Government's crazy economic policy. It is distressing for the co-operatives to be crushed at a time of housing crisis. In my constituency there are 2,640 families in houses unfit for human habitation, houses with black fungus crawling up the wall and so on.

Mr. Tim Eggar (Enfield, North): I understand the argument, but so that we may be better informed may we have an estimate of how many more properties would become available if the hon. Gentleman had his way and there was a reduction in corporation tax for housing associations?

Mr. Randall: We are not talking about a swamping action but about a fairly small reduction. The effect will not be massive and the new clause will not change the world, but small improvements can contribute to creating a better society. I do not think that the hon. Member for Enfield, North (Mr. Eggar) would like small co-operatives or housing associations to disappear because they help, in their small way. I see that the hon. Gentleman agrees with me.

Sir Peter Hordern (Horsham): The hon. Gentleman refers to small co-operatives and friendly societies. What rate of corporation tax do they pay now? Surely they benefit from the differential rate for small companies. Is the hon. Gentleman thinking of the larger co-operatives?

Mr. Randall: My right hon. Friend the Member for Birmingham, Sparkbrook (Mr. Hattersley) made an interesting and useful point about the larger co-operatives when he said that because of competition co-operatives were having to get together and that we were experiencing a "fewer and larger" syndrome. That means that the tax paid by the larger co-operatives makes them uncompetitive compared with their commercial counterparts.

Mr. Eggar: Is the hon. Gentleman saying that, for instance, most of the members of the Co-operative Wholesale Society will benefit because they are covered by section 340 of the Taxes Act? I do not have a copy of that Act but is the hon. Gentleman suggesting ways of helping the Co-op to beat Sainsburys and Tescos? Is that what he is really after?

Mr. Randall: The hon. Gentleman should go to the Library and check whether he is really talking about section 340 of that Act. I have been asked an ill-prepared question and I do not want to waste my time on it. I want to talk about the future of co-operatives.

A specific example of the importance of co-operatives is in high technology. The Labour party is now strongly associated with high technology. I regard the Labour party as the party of the future and of high technology. There is no question about that.

Many small companies involved in high technology are co-operatives. Such businesses, by their nature, are high risk. There is a serious downturn in the electronics industry and this is causing liquidations. The uncertain future and the changes in technology mean that a company might soon be producing obsolete products which it cannot sell and so it will become unprofitable.

One advantage of co-operatives is that the equity can be shared among a number of owners. Many instances of

[Mr. Randall]

that have occurred in Scotland. I think of the closure of the British Steel plants. Many organisations have branched out. Joint ownership is laudable and should be encouraged. The removal of the benefits which existed until March last year has had serious effects.

We are talking about helping high technology not in a massive way, but in a small but significant way. My right hon. Friend the Member for Sparkbrook will recall visiting the Earls Court exhibition and speaking to three people who owned a small company. They explained how difficult it was to raise the capital to float the company. They did not intend to expand the business because they could not afford to go through yet another nine months of raising money.

5.15 pm

Such organisations should not be discouraged by an oppressive tax regime. Diverse ownership is the principle behind co-operatives and should be encouraged. It gives employees the opportunity to take part in the management and running of a business.

The new clause is worth supporting. It will ensure that mutual organisations such as co-operatives and friendly societies can go from strength to strength rather than being destroyed.

Sir Peter Hordern: When I first saw the new clause I confess that I was attracted by the notion that co-operatives, friendly societies and housing associations should be relatively well treated compared with other companies. After all, co-operatives and friendly societies have had a long and honourable history. Long before the welfare state the majority of people in Britain were covered by friendly societies.

There is more to the clause than meets the eye. I understand that friendly societies and co-operatives were favourably treated in terms of corporation tax before the changes made last year. The Opposition are suggesting that they should be yet more favourably treated.

I agree about the need to encourage small companies. The hon. Member for Kingston upon Hull, West (Mr. Randall) referred in particular to high technology companies. In passing, the hon. Gentleman said that the Labour party was the party of high technology. When I first came to the House similar claims were made. The Labour party described the trend as the "searing white heat of technology." Shortly after the Labour party came to power, it put its plans in hand in the shape of the national plan. It needed evidence that there was a real interest in technology, and created the Department of Technology. More importantly, it put Mr. Frank Cousins in charge. The reason for placing Mr. Frank Cousins in charge was not —as it might seem to the general public and as we were led by Lord Wilson of Rievaulx to believe — to encourage technology but to find Frank Cousins a job. That job-finding practice has been done before and will no doubt be done again.

I was interested in the remarks made by the hon. Member for Kingston upon Hull, West about encouraging small companies and technology. He was right to say that these companies suffer from an acute shortage of capital because they do not have much of a track record to impress bankers. The fault that the hon. Member for Kingston upon Hull, West ascribes to the present system does not apply to small companies because small companies have the benefit of the small companies corporation tax rate. I hope that the Minister will tell us how small companies, whether they are co-operatives or industrial provident societies, will be affected by the proposal.

Small companies do not suffer in the way that the new clause tabled by the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) suggests. When the Minister replies, I hope that he will say how many co-operatives pay the full rate of corporation tax. My guess is that not many pay the full rate. Most are small, individual, friendly and provident societies that we all want to see thrive. They are doing well under the present corporation tax rate.

The Chancellor's measures taken in last year's Finance Act were intended to avoid distortion in the operation of corporation tax. My hon. Friend the Member for Kettering (Mr. Freeman) made that point in his excellent speech when he said that there had been too much of a buzz and distortion about investment. Companies should concentrate on making profits, and any distortion of the corporation tax in favour of a specific form of money-making activity — for instance, co-operatives and friendly or industrial societies — departs from the principle set out in the Chancellor's measures.

Some distortions do exist in corporation tax. As I see the right hon. Member for South Down (Mr. Powell) present I shall mention one area where distortion arises, and that is in Northern Ireland. I am in favour of a distinctive form of corporation tax for different parts of the country. The system of regional aid and grants has been extremely wasteful and we should reduce the cost of work either by reducing national insurance contributions or corporation tax in the regions most affected by the tax

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Mr. Deputy Speaker (Mr. Harold Walker): Order. We have strayed from the new clause. I hope that we may return to the mitigation of corporation tax liabilities.

Sir Peter Hordern: I apologise, Mr. Deputy Speaker. The new clause invites us to make distortions in corporation tax, and I know that I cannot ask your opinion on that. If distortions must exist they should not be in the techniques of corporation tax or its operation but in its coverage. It is an established practice for grants to be given to firms in Northern Ireland to recover corporation tax.

The substance of the new clause remains to be proved. I understand why the Opposition want to make a case for the co-ops and that some Opposition Members may be sponsored by the Co-operative Wholesale Society. I hope that the Minister will tell us whether the Co-operative Wholesale Society as a trading unit suffers in terms of taxation when compared with such trading units as Sainsburys or the other big multiple organisations. The new clause does not make the case and I believe that the fewer distortions in corporation tax, the better.

Mr. Austin Mitchell (Great Grimsby): I declare an interest as a member of several co-operative societies, many of which have gone bankrupt. I was a member of the Sowerby Bridge co-operative society and I am a member of the Oxford co-operative society.

The Opposition have a simple motive in tabling the new clause. We want to encourage the co-operative principle and to encourage the co-op which has fallen on hard and tough times. The co-op is not organised on the same basis as the giant organisations and cannot fight Sainsburys, Tesco and Asda. The Government want to put the co-op

on the same competitive footing as the giants in terms of taxation. The co-op is not organised for that form of competition.

The Opposition want to encourage the principle of co-operation and the co-ops. The tax concessions to co-operatives in the rate of corporation tax has been accepted by Labour and Conservative Governments. It originated in the Heath Government, and there is no reason why what the Heath Government giveth the Thatcher Government should take away. The only reason can be that the Thatcher Government have a distaste for the principle of co-operation and for any principle decreed or decided by the Heath Government. That is another manifestation of the difference between the Heath Government, which wisely agreed a distinct rate of corporation tax for co-operatives, and the Thatcher Government, with their extremist composition.

The Opposition seek to repair the damage caused by the Finance Act 1984 by restoring the special tax concession for co-operatives which all previous Governments have accepted.

Sir Peter Hordern *rose*——

Mr. Mitchell: I shall not give way.

The Government are clear in their commitment to remove that privilege and to put co-operative societies on the same tax footing as private firms. I know that the Economic Secretary to the Treasury will say that co-operative societies should be treated the same in tax terms, but I say that co-operatives should have special treatment. They are a special form of organisation which deserves a special concession which all Governments have conceded in the past. That is an advantage — not a major advantage—that the co-operatives need because of their peculiar form of organisation and the specific competitive difficulties they face. Their interests are different from crudely and directly motivated, profit-oriented firms. The co-operatives' role is much wider and they have a commitment to serve their members and to advance certain principles in society. Co-operation is only one of those principles. Such aims and objectives merit and justify special treatment.

The Government will doubtless claim the principle of equality. They do not like co-operation, and do not know what co-operation and working together means. They will proclaim the virtue of one system of reduced corporation tax for all. The Opposition say that that is not right or reasonable. The co-operatives deserve a special advantage that they once had and that we are seeking to restore. The advantage springs from the co-operative principle which is not to maximise profits for their shareholders but to further the cause of their members and to maximise the benefits for their consumers by returning any profit or surplus in the system to those members at intervals in the form of the dividend in proportion to their purchases.

The central principle of co-operative societies is a commitment of service to, and a desire to advance and improve the position of, their members. Generally speaking, the members of co-operative societies are not the wealthy in society. Indeed, in most cases they are not even the middle class, because the co-operative principle has always been strongly rooted in working-class areas. Their aim is to improve the position of the less well-off, and that is another argument for the special tax concession that they had and that we are seeking to restore by the new clause.

5.30 pm

Although there have been accusations of giantism against the co-operative wholesale societies, the impact of competition from undoubted giants such as Sainsbury has forced the co-ops to come together to achieve the benefits of strength and size to enable them to face competition. It is unfair, therefore, to tax them with this form of liability when it has been forced on them by the nature of the giants with which they are competing. Nevertheless, the giants among the co-operatives are organised on exactly the same co-operative principle. Although they may be concerned with production, they are organised in the interests of the consumers, their members, rather than in the interests of the profit of their shareholders.

With more than 12 million members in about 500 separate societies, it is clear that the co-operative societies have a role which is worth encouraging. They appeal to millions of people who do not have large spending power. These are people to whom the pence really count and for whom the principle of co-operation—the return of the "divi"—is important.

My hon. Friends and I hold strongly to the view that it is fair to give organisations which perform that important social purpose the advantage which was accepted by all Governments up to the time of the passing of the Finance Act 1984. We want to return the position to the status quo ante Lawson. That position, which we say the societies should have, arises from the nature and organisation of co-operatives. When, in the early 1970s, there was a change in the basis of corporation tax, a Select Committee examined the possibility of changing from the classical system to the imputation system. That Committee received representations from, among others, all interested bodies, including the Co-operative Union and the various co-operative societies. It agreed that the change would be unfair to the co-operatives and that there should be a special rate to recognise their unique role.

When, therefore, the new chit system was brought in, there was a special rate; without that rate, there would have been a massive increase in taxation for co-operative societies. The reason for the distinction was simple. Co-operatives do not make distributions, as companies do, and, as the imputation system gives relief to a business in respect of the advance corporation tax on distributions, the co-operatives would have been paying tax on the full rate of mainstream tax. They were therefore given a special rate in recognition of their special role.

The Government argue that, because they are bringing down the rate of corporation tax, the co-operatives should be on the same basis as other private firms, so that they will all pay the same rate. However, the reasons for the special concession remain. If there was justification for the concession, it remains valid whether at the higher or lower rate.

When the Chancellor introduced his 1984 Budget, the co-operative societies protested against the abolition of their special rate, not because that rate had given them an advantage but because, if there was no special rate, the co-operatives would be liable to corporation tax at the full rate, whatever the full rate was, whereas companies could deduct the tax liability of the shareholder on the distribution.

After that proposal was made, a meeting took place between officials of the Inland Revenue and a deputation from the Co-operative Union. That took place in September of last year, when spokesmen for the Inland

[Mr. Mitchell]

Revenue agreed with the co-operatives that the withdrawal of the special rate would disadvantage the co-ops compared with companies, and they agreed to advise the Financial Secretary accordingly.

The Inland Revenue officials also confirmed at that meeting what had been said by their predecessors in 1971 to the then Select Committee which recommended the special rate in the first place—that there had been no change in the circumstances to alter the co-operatives' position.

That was the situation at that meeting in Somerset house in September of last year. Subsequently, the co-ops received the news that there would be no amendment of the 1984 legislation and that the special rate would be abolished. That seemed to be a negation of the agreement —or at any rate the feeling—of that September 1984 meeting. It seemed an unreasonable decision which bore no relation to the position that the Inland Revenue officials had taken at the meeting. If the grounds were as the officials had then suggested, there should have been a change. That change has not been made, and that is why we are proposing in the new clause that it be made.

Why are the Government, in their zeal to remove anomalies and have a more uniform and simple tax system, so preoccupied with removing only those anomalies which help the mass of the people, particularly the less well-off, rather than the tax perks and advantages of those whom the Conservatives, by and large, represent?

The Government demonstrate that zeal — as the Minister will no doubt do when he replies — single-mindedly against one section of society—those whom my hon. Friends and I represent — whereas when it comes to any similar zeal for uniformity, efficiency and simplicity in the system which might harm the supporters of the Conservative party, it suddenly dries up. The cold glint behind the steel-rimmed glasses turns warm and affectionate, and changes proposed in that direction are suddenly withdrawn.

Let us consider some of the privileges and anomalies that are being attacked, amid howls of protest only from Opposition Members. When it comes to tax concessions which might benefit workplace nurseries or tax changes which might benefit friendly societies and working-class organisations such as the Buffaloes, or to considering postmen's Christmas boxes, the Government are full of zeal for tax reform and efficiency. When we speak of a special concession for the co-operatives, which benefit working-class people and help the humblest in society to improve their lot, giving them more power as consumers, the Government are full of energy and efficiency, bustling with zeal to clean up anomalies. But as soon as we consider anything which harms concessions to the Conservatives in society, it becomes political and cannot be done.

The Government stopped short of the sort of changes, for example, that the Secretary of State for Education and Science wanted to make in the grant system, because that would have harmed their section of society.

Mr. Deputy Speaker: Order. The hon. member must restrict his remarks to the question of the mitigation of corporation tax liability.

Mr. Mitchell: My zeal for the new clause has overcome my normal caution and desire to stay within the rules of order.

There is a case for a special rate for co-operatives to demonstrate the Government's attachment to furthering the cause of co-operation and to demonstrate that we regard co-operatives as something of a higher order and a better form of industrial and economic organisation than the simple profit-oriented greed of the company that has only shareholders. By the new clause, we are therefore giving the comparatively small advantage to the co-operatives that they have always had.

There are various arguments for doing that. The former economics editor of *The Times*, Mr. Peter Jay, was writing in the mid-1970s about the theme, which has now been taken up in America, of furthering co-operatives as a means of breaking the deadlock in society between capital and labour and ending the constant wages inflation that seemed to be the dominant theme of the economics of the 1970s. There are economic, social and political reasons for recognising co-operatives as a higher form of economic and industrial organisation that should be encouraged.

We have to recognise that at the moment the co-op is not as healthy or as powerful as it was, and it is certainly not the intimidating organisation that Conservative Members have been trying to paint it as. It is having a difficult time in competition with Sainsbury, Asda and Tesco. One reason is that it is a democratic organisation that serves its members and puts their interest higher than sheer greed for profit.

A second reason is that the co-op has social commitments and responsibilities that spring from being a co-operative organisation. All those factors have to be recognised in the way the co-op is run, and if they are recognised, the co-op is put at a competitive disadvantage. We could argue that the clause is not only recognising a higher organisation, but repairing a weakness under which the co-op now labours. It is totally single-minded fallacious pursuit of the principle of tax equality for the Government to kick the co-op when it is in that state, as they did in the Finance Bill last year.

By the new clause we should recognise the unique role and special importance of the co–operatives, and express our desire to encourage that vital social principle.

Sir William Clark (Croydon, South): The House started off listening with interest to the hon. Member for Great Grimsby (Mr. Mitchell), but during his speech our interest waned. His special pleading on behalf of the co–operative movement killed his case. If I had anything to do with the co-operative movement, I should not ask him to advocate my case.

The hon. Gentleman talked about the profit motive of companies such as Sainsbury and Tesco and compared that with the co-operative movement. What is wrong with the management of the co-operative movement? Why is it not making profits? Why do people who used to go to the co-operatives now go to Tesco and Sainsbury? The simple reason is that they are cheaper, so that is where the British working man and woman are now buying their goods. Let me make it clear that I have no vested interest in Sainsbury, Tesco, Fine Fare or any other supermarket.

Mr. Eggar: Does my hon. Friend agree that the speech of the hon. Member for Great Grimsby (Mr. Mitchell)

called on people to shop at Tesco or Sainsbury because they are more efficient than the Co-operative Wholesale Society?

5.45 pm

Sir William Clark: I am sure that my hon. Friend is right. The special pleading became a little sickening, because in my view the co-operative movement has gone down because it cannot face the competition. When the hon. Gentleman began his speech he spoke about two co-operatives that had gone bankrupt. It is small wonder that they go bankrupt if they cannot face the competitiveness of Tesco, Sainsbury and so on. The co-operatives are owned by their members, and the hon. Gentleman maintains that the mass of poor people go there. If that is so, why are the co-operatives not more successful? The Opposition are always saying that everyone is poor. If everyone is worse off, surely people should be flocking to the co-operatives, which should be thriving, but the reverse is the case, and people are shopping at Tesco, Sainsbury and so on.

One of the best co-operative movements that we have seen in the past few years is the co-operative that has been formed by the National Freight Company. That co-operative works, but before the employee buy-out it was a loss-making organisation. It is now highly profitable. Is it not possible for the co-operative movement to do that? I do not know whether the hon. Member for Great Grimsby has anything to do with the co-operative movement, but if he has I suggest that he either pays a little more attention to why the co-operative movement has gone downhill or resigns from the movement.

I come next to housing associations. The hon. Member for Kingston upon Hull, West (Mr. Randall) did not know what section 340 of the Taxes Act covered. It covers the mutual societies and the rest, which do a good job. Housing associations do a first-class job.

Housing associations have done good work in the sale of the houses and flats they have owned. That is a good thing, but we have to do more. We should not single out any section, because the sale of houses and accommodation of housing associations is an incentive to buy for people who belong to the associations.

I shall trace the history of corporation tax so that we may discuss the subject with more clarity than is evident in the clause tabled by the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley). If the right hon. Gentleman looks at corporation tax, he will see that it was introduced at a rate of 40 per cent. It was then increased to 45 per cent. and when the Conservative Government took office it came down to 40 per cent. In 1973, as the right hon. Gentleman will recollect, the imputation system was introduced, whereby advance corporation tax became an advantage to distribution—a 30 per cent. advantage.

In an articulate speech of great clarity, my hon. Friend the Member for Kettering (Mr. Freeman) dealt with the matter. If a company distributed the whole of its profits, and if the profits were 100 units, and there was a 52 per cent. rate of corporation tax, that left a possible dividend of 48 units. If the 48 units were grossed up, it would be 70 units. With 30 per cent. ACT off, that brought one down to 48 units. In my reckoning, that meant that the effective cost of corporation tax on a distribution was just over 31 or 32 per cent. That was an advantage to companies that could distribute profits.

Mutual societies, co-ops, and housing associations do not distribute profits in that sense. That was the origin of the special rate for the mutual societies and so on. That special rate was 40 per cent. But then, as has been mentioned, in 1984 my right hon. Friend the Chancellor stopped stock relief and cut down capital allowances. He made the reason perfectly clear last year. He did it so that overall he could cut the burden of corporation tax. It was at 52 per cent., then it was at 50 per cent., 45 per cent. and 40 per cent., and it is coming down to 35 per cent. in 1986, which is one year hence. That reduction in corporation tax is an incentive for our whole economy. I am sure that the right hon. Member for Sparkbrook, who has special responsibility for matters affecting our economic future, will agree. Corporation tax reductions must generate economic activity. That is the idea behind them.

The special rate was and is set at 40 per cent. The Opposition want it to be reduced to 30 per cent. A rate of 35 per cent. should be the lowest level for every mutual society. What happens if the co-operatives and the housing associations do not make huge profits? They are not in business to make huge profits. As the hon. Member for Great Grimsby said, their profits are small. In the past, the co-operatives have enjoyed the advantage of paying dividends fully tax free, which are chargeable against their gross profits. Now they give a discount with their stamps, which are fully allowed for tax purposes.

I congratulate my right hon. Friend the Chancellor on achieving a maximum 35 per cent. rate of corporation tax for next year. The corporation tax level for any business earning £100,000 profit is 30 per cent. The new clause is slightly redundant because most of the mutual societies — the co-operatives and housing associations — make profits below £100,000 and would suffer only 30 per cent. corporation tax. This new clause would impose another anomaly on our tax system. If we say that all organisations should pay corporation tax at 35 per cent., let us stop special pleading. Small businesses, small mutual societies, co-operatives and housing associations would be on all fours if this measure were accepted. I trust that my hon. Friend will resist the new clause.

The Economic Secretary to the Treasury (Mr. Ian Stewart): The right hon. Member for Sparkbrook (Mr. Hattersley) explained that the measure followed from a similiar amendment that he moved to last year's Finance Bill. The new clause has enabled us to have an interesting and, in some ways, rather general debate on the societies — the provident societies, co-operatives, housing associations and building societies—that are affected by the new clause.

We have had a wide-ranging debate and it is not easy for me to pick up all the threads. The hon. Member for Stockton, South (Mr. Wrigglesworth) referred to the taxation of housing associations. Under section 341 of the Taxes Act, which applies to approved housing associations, rents received by associations are not liable to tax. Interest paid by associations qualifies for tax relief for their members and the profits on house sales are exempt from capital gains tax. Housing associations are liable to the full rate of tax only if the profits exceed £100,000, when they move beyond the small companies rate. Although most hon. Members would agree that housing associations need encouragement, I believe that the regime under which they operate is favourable.

[Mr. Ian Stewart]

A number of hon. Members referred to the nature and virtues of co-operatives. The right hon. Member for Sparkbrook suggested that the Government had a prejudice against co-operatives. That is not the case. The hon. Member for Stockton, South spoke of the Co-operative Development Agency's work. My hon. Friend the Member for Kettering (Mr. Freeman) referred to the work of the co-operative development association in his area. The hon. Member for Kingston upon Hull, West (Mr. Randall) referred to the possibility of co-operatives becoming more involved with the high technology sector. Hon. Members generally have recognised the valuable role that co-operatives can play.

The hon. Member for Great Grimsby (Mr. Mitchell) said that he thought that the co-operatives should be especially advantaged and should have special treatment because they particularly look after the interests of consumers whereas companies with shareholders do not. He said that they were suffering from competition from these companies with shareholders and that this was not necessarily fair. They therefore needed special treatment. There is a certain inconsistency in that line of argument. Any company, whether an incorporated or a co-operative body, that looks after the interests of consumers and customers is likely to flourish and any body that neglects them is likely not to do so well. My hon. Friend the Member for Croydon, South (Sir W. Clark) referred to the reasons for the decline in the co-operative movement. I do not think that any of us disagrees with the fact that the co-operative societies — the industrial and provident societies, housing associations and building societies— that are covered by the suggested provisions of the new clause play an important and sometimes central role in various activities in the community. We want them to prosper and develop.

The right hon. Member for Sparkbrook said that he was asking not for special advantages for the co-operatives and the other societies but for comparable treatment with commercial companies. He said that it would be wrong to call the proposed 30 per cent. tax a special rate and that he wanted to ensure that those societies were not disadvantaged. He referred to the "discriminatory pressures" of the 1984 changes in the corporation tax regime for capital and other allowances. He referred to the "injustice" of last year's legislation.

Even if the comments of the right hon. Member for Sparkbrook were justified—I shall endeavour to show that they were not — they conflict with what his colleague the hon. Member for Great Grimsby said. The hon. Gentleman felt that the co-operatives should receive special treatment because they were a higher form of organisation. I do not want to dwell on this difference between Labour hon. and right hon. Members, but it is important in understanding the new clause to be clear about what they said. The right hon. Member for Sparkbrook said that he was not asking for special advantages; he was merely suggesting that last year's changes brought about particular disadvantages for the co-operative societies. He looked back to the introduction of corporation tax in 1965 and then to the significant change made in 1972, from the "classical" system to the "imputation" system. He said that special arrangements were introduced at that time for small companies—the small companies rate—and for the societies because of their acknowledged special circumstances. That is the point on which we differ, because his argument is that the maximum rate of 40 per cent. which applied to those societies from that date recognised that the industrial and provident societies were in some way disadvantaged by the imputation system and, therefore, that a special rate should be retained to shield industrial and provident societies from the impact of the 1984 corporation tax reforms. I hope that that is not an unfair representation of the right hon. Gentleman's argument.

6 pm

I should like to take the right hon. Gentleman through the arguments, which will show that that is an incorrect interpretation of what happened. It was not the imputation system which damaged the societies from 1972 onwards. The rate of corporation tax which was, at that time, raised from 40 per cent. to 52 per cent. caused the problem. Before the imputation system was introduced, all companies paid the 40 per cent. corporation tax rate. With the introduction of the imputation system and the application of advance corporation tax payments for incorporated companies being offset by a higher rate of corporation tax, which rose to 52 per cent., the societies were damaged, but they were damaged by the rate change and not by the imputation system. It was, therefore, fair that there should be a special rate for industrial and provident societies, not because of the structural change but because it would have been wrong to make them pay the 52 per cent. which was the rate chosen to offset changes effected by advance corporation tax.

When the rate returns to 40 per cent., as now, and goes to 35 per cent. as it will next year, there is no longer a case for retaining a special rate because the industrial and provident societies are not disadvantaged by having to pay a rate above that which operated under the old system. The 40 per cent. rate was introduced, not to advantage them but to stop the 52 per cent. rate disadvantaging them.

The right hon. Gentleman argued that a special rate should be retained to shield societies from the consequences of last year's tax reforms. More than 99 per cent. of the industrial and provident societies pay the small companies rate, which we reduced last year from 38 per cent. to 30 per cent. Like small incorporated companies, if their profits are below £100,000 they are already enjoying a lower rate of corporation tax. Larger societies would pay the normal corporation tax rate. Most building societies pay the small companies rate, and the great majority of co-operative retail societies will be paying the small companies rate.

Mr. Wrigglesworth: May I confirm that the Minister is not misleading the House when he gives such volume figures? How much business do the societies which pay at the higher rate conduct? Many of the societies to which he referred may be substantial but they may conduct little business.

Mr. Stewart: That is a fair point. I was coming to it immediately. I do not intend to mislead the House. The hon. Member for Kingston upon Hull, West mentioned some of the smaller societies. About 20 of the 200 retail societies conduct about 75 per cent. of the turnover. The top 10 per cent. therefore conduct three quarters of the business. The smaller societies mostly benefit from the small companies rate.

The larger co-operatives, housing associations and building societies pay at the full corporation tax rate.

During the 10 or 12 years before last year such societies enjoyed a highly privileged regime. When the imputation system was introduced, the offset for companies between advance corporation tax and the 52 per cent. rate was set to produce a broadly neutral revenue outturn for the incorporated sector. At that stage it did not and could not take account of the influence on rates of tax paid caused by 100 per cent. first-year capital allowances and by stock relief because they had not been introduced. The 100 per cent. capital allowances were introduced after the imputation system and stock relief was introduced in 1974. Those allowances were designed to ameliorate the 52 per cent. basic rate of corporation tax.

If we take into account what happened in the 10 or 12 years that followed, first, inflation turned out to be higher than had been anticipated and, therefore, stock relief came to play a much larger part in the tax affairs of distribution companies. Secondly, there was a period of heavy investment and many companies and societies took the opportunity to shelter their profits from corporation tax through capital allowances. They, therefore, enjoyed a relative advantage through an unintentional combination of circumstances during that time.

All that is happening as a result of the 1984 changes is that the societies are being brought back to a more normal and ordinary basis of tax charge. They will still be better off than under the classical system. They will still be better off than companies because their dividends to members are allowed in full against their taxable profits whereas company dividends suffer a 30 per cent. deduction which is allowable as an offset against advance corporation tax although it does not fully cover the corporaion tax charge. In that respect, societies, co-operatives and so on are at an advantage compared with the incorporated company sector. Although such societies and co-operatives in recent years have taken great advantage—as it was reasonable for them to do—of an extraordinary combination of high capital allowances, high stock relief and a lower ceiling to the corporation tax rate, that is not a regime which we choose to perpetuate. It was a set of circumstances which did well for the societies and I do not begrudge them that. It enabled them to accumulate reserves in a satisfactory way and I hope that they will be useful to the societies. There is no argument for introducing a different system of corporation tax or a lower rate for those societies merely because they were able to take unusual advantage of a set of circumstances in recent years. I therefore ask the House to reject the new clause.

Mr. Hattersley: May I first clear up the distinction—there is not a shadow of difference—that the Minister of State seemed to see between my speech and that of my hon. Friend the Member for Great Grimsby (Mr. Mitchell)? Much to my regret I missed my hon. Friend's speech, but as I understand it he was arguing for the principle of assistance because co-operatives are, in the Minister's words, a "higher form of organisation" which should be given special benefit. I share that judgment. I believe that the co-operative organisation is a superior form of organisation. I should like and hope one day to be able to give them special assistance. My hon. Friend and I are in agreement on that point.

That is a subject, as I know my hon. Friend will agree, for another new clause or for an amendment, not the one that we are debating today. My hon. Friend and I equally agree that the new clause is only a step towards the superior treatment that we should like to see given to restore the previous position that co-operatives had in the fiscal lexicon.

The most surprising speech of the day was that made by the hon. Member for Croydon, South (Sir W. Clark). As I understand it, he was opposed to the new clause and to the reorganisation of tax liability that I suggested for co-operative societies in particular. This is surprising, because last year when we debated the subject he was the most passionate advocate of the position which the new clause advocates. The hon. Member shakes his head. I have already had the good fortune to quote one paragraph from his speech. Let me quote his peroration in full:

"In 1972, the Finance Bill was introduced by a Conservative Chancellor and it was seen that equity should be carried through. I hope that my hon. Friend will either now—if he can say it now all well and good—or between now and Report say that when corporation tax comes down from 50 per cent. to 40 per cent. the differential, whether it is 31 per cent. or something else—I shall not argue the percentage—will be between the top rate of corporation tax and the rate that building societies pay. If it is not, there will be an injustice because building societies and co-operative societies do not have the right to distribute their profits."—[*Official Report*, 1 May 1984; Vol, 59, c. 286.]

If the hon. Gentleman will forgive me for saying so, he could not have put it more clearly a year ago, yet this afternoon he argued quite the opposite. I do not know why that should be, but the case he made a year ago is much stronger than that which he has made today and was not in any way undermined by the speech of the Minister of State. As I understand the last passages of the speech of the Minister of State, the Government case now is that co-operative societies, housing associations and the rest were unfairly advantaged in 1972. If he is not saying that, I do not understand how he can possibly advance his case.

With corporation tax at 52 to 55 per cent. it was necessary to have a 40 per cent. special rate to meet the needs of co-operative societies because of their special conditions in that they distributed only a small percentage of their profit. If it was necessary when the normal rate was 52 per cent. to have a co-operative rate that met their needs of something like 80 per cent. of the usual figure, why is it not necessary to have 80 per cent. of the usual figure to meet the special conditions of co-operative societies?

It is no good the Minister of State saying or implying that the change in the top rate of corporation tax has absolved the co-operative societies from the need to pay at a rate which penalises them. I gave him three examples—Sheffield, Peterborough and Ipswich. Each of those societies demonstrates that under the new arrangement, which is trumpeted about the country as a reduction in corporation tax, they are now paying more because the new method of calculation excludes them from the special rate. If they were not specially benefited 30 years ago and they are paying more now in comparison with what they might have been allowed to pay had the old arrangements been allowed to continue, the only possible conclusion anyone is able to draw in logic is that there is unfair discrimination against the societies and it operates—I do not know whether by intention or by mistake—because they distribute a very small proportion of their profits.

The Minister if State's answer was wholly unconvincing but not surprising. The speech of the hon. Member for Croydon, South was equally unconvincing but astonishing. In the light of what the Minister of State says we shall divide the House or we shall continue to argue the case of equity for co-operative societies and the proper incentives that they need to multiply and to profit.

[Mr. Hattersley]

Question put, That the clause be read a Second time:—
The House divided: Ayes 197, Noes 267.

Division No. 268] **[6.13 pm**

AYES

Alton, David
Archer, Rt Hon Peter
Ashdown, Paddy
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bell, Stuart
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'rmline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Campbell-Savours, Dale
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Coleman, Donald
Concannon, Rt Hon J. D.
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Ellis, Raymond
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gourlay, Harry
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Central Fife)*
Hardy, Peter
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hattersley, Rt Hon Roy
Healey, Rt Hon Denis
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howells, Geraint
Hoyle, Douglas
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
Jenkins, Rt Hon Roy *(Hillh'd)*
John, Brynmor
Johnston, Sir Russell
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilroy-Silk, Robert
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lambie, David
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Livsey, Richard
McCartney, Hugh
McCusker, Harold
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
McKelvey, William
MacKenzie, Rt Hon Gregor
Maclennan, Robert
McNamara, Kevin
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Mason, Rt Hon Roy
Maxton, John
Meacher, Michael
Meadowcroft, Michael
Michie, William
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Molyneaux, Rt Hon James
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Nicholson, J.
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Owen, Rt Hon Dr David
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Rt Hon J. E. *(S Down)*
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George
Rogers, Allan
Rooker, J. W.
Ross, Wm. *(Londonderry)*
Rowlands, Ted
Ryman, John
Sedgemore, Brian
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, Rt Hon J. *(M'kl'ds E)*
Smyth, Rev W. M. *(Belfast S)*
Snape, Peter
Soley, Clive
Steel, Rt Hon David
Stewart, Rt Hon D. *(W Isles)*
Stott, Roger
Strang, Gavin
Thomas, Dafydd *(Merioneth)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Torney, Tom
Wainwright, R.
Walker, Cecil *(Belfast N)*
Wareing, Robert
Weetch, Ken
White, James
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec
Wrigglesworth, Ian
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Frank Haynes and
Mr. Sean Hughes.

NOES

Adley, Robert
Aitken, Jonathan
Amery, Rt Hon Julian
Amess, David
Ancram, Michael
Ashby, David
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Benyon, William
Bevan, David Gilroy
Biffen, Rt Hon John
Body, Richard
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Buck, Sir Antony
Budgen, Nick
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Sir Edward
Durant, Tony
Dykes, Hugh
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Favell, Anthony
Fenner, Mrs Peggy
Fletcher, Alexander
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodlad, Alastair
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Gregory, Conal

Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irving, Charles
Jenkin, Rt Hon Patrick
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knox, David
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Peter, *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCurley, Mrs Anna
MacGregor, John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McQuarrie, Albert
Major, John
Malone, Gerald
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Merchant, Piers
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Miscampbell, Norman
Moore, John
Morrison, Hon C. *(Devizes)*
Murphy, Christopher
Neale, Gerrard
Neubert, Michael
Norris, Steven
Osborn, Sir John
Page, Richard *(Herts SW)*
Parris, Matthew
Pattie, Geoffrey
Peacock, Mrs Elizabeth
Porter, Barry
Powley, John
Proctor, K. Harvey
Pym, Rt Hon Francis
Raison, Rt Hon Timothy
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Robinson, Mark *(N'port W)*
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Trippier, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side N)*
Wall, Sir Patrick
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Wolfson, Mark
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes:
Mr. Tristan Garel-Jones and
Mr. Mark Lennox-Boyd.

Question accordingly negatived.

Clause 1

SPIRITS, BEER, WINE, MADE-WINE AND CIDER

The Minister of State, Treasury (Mr. Barney Hayhoe): I beg to move amendment No. 129, in page 2, line 6, at end insert—

'(3A) With respect to wine or made-wine imported into or produced in the United Kingdom on or after 29th July 1985, Schedule 1 to this Act shall have effect with the substitution—

(a) for the words "of less than 15", in each place where they occur, of the words "not exceeding 15"; and

(b) for the words "or not less than 15" of the words "exceeding 15".'.

Mr. Speaker: I have reconsidered my grouping with this amendment, and now propose to take Government amendment No. 129 on its own, and to take, separately, amendment No. 2, after amendment No. 1.

Mr. Hayhoe: In the Committee debate on clause 5, strong representations were made about the adverse effect of the clause on the import of Cyprus sherry, and the hon. Member for Birmingham, Hodge Hill (Mr. Davis) persuasively and eloquently argued the case for a change. Subsequently, I met the Cypriot Minister of Commerce and Industry and members of the Cyprus wine trade. That meeting was followed by talks with the Customs and Excise, the Ministry of Agriculture, Fisheries and Food, the Cyprus high commission, representatives of the United Kingdom importers and a small deputation led by the hon. Member for Hodge Hill.

It became clear, as a result of all these discussions, that the difficulties did not centre on clause 5 but stemmed from a combination of European Community regulations, which were applied within the United Kingdom from January of last year and which contained an anomaly affecting medium and dry style Cyprus sherries, and the provisions of the 1984 Budget. The full impact on Cyprus sherry of this combination did not come to light last year because it was masked by the importers taking advantage of the loophole on blending that clause 5 is closing. It was not until that loophole was blocked that the serious nature of the Cyprus problem became apparent.

As I said in Committee and subsequently, there was no intention of causing a severe disadvantage to the Cyprus sherry interests when action was taken in 1984. I have sought to establish what is necessary to restore the pre-1984 position for Cyprus sherry. Part of that is the amendment that I now commend to the House.

Mr. D. N. Campbell-Savours (Workington): Before the Minister sits down——

Mr. Speaker: Order. The hon. Gentleman has sat down.

6.30 pm

Mr. Terry Davis (Birmingham, Hodge Hill): I should like to thank the Minister of State for his kind words about my persuasion and eloquence in Standing Committee. I raised this issue on behalf of the Labour party and I was

[Mr. Terry Davis]

supported in Committee by my hon. Friends the Members for Wrexham (Dr. Marek) and for Kingston upon Hull, West (Mr. Randall). We were acting at the direct request of the Co-operative Wholesale Society, which is one of our biggest importers of Cyprus sherry.

I am assured that the society and the other members of the Wine and Spirit Association regard the Government's amendment as a most satisfactory solution to the problem which we drew to the Minister's attention in Committee. Not only will it avoid the impact of clause 5 of the Bill; it will also restore Cyprus sherry to the tariff classification which it enjoyed two years ago. As a result, the consumer will pay 50p less for a bottle of Cyprus sherry. Cyprus sherry will be cheaper now than it was as a result of the blunder made 12 months ago.

I am not blaming the Minister of State for what happened. It was obvious from our discussions in Committee and our private discussions afterwards that the Minister had not been told about this problem. I should like to pay tribute to his readiness to find a solution which will benefit not only the trade and the consumer, but also the economy of Cyprus. To be blunt, I believe the problem was known to the Government, to the Ministry of Agriculture, to the Foreign Office and to the Customs and Excise. Unfortunately, no one told the appropriate Treasury Ministers. I thank the Minister of State for acting so promptly and for responding so helpfully to our representations.

Dr. John Marek (Wrexham): This amendment is the result of co-operation between the Opposition and the Government. Very often the Opposition plead for something and the Government willy-nilly resist it. I hope the Minister will not take this unkindly, but I believe the situation about Cyprus sherry was not known to him precisely, at least in Committee. It was clear to both sides on the Committee that something was going wrong and that if something was not done quickly a long-established industry would fade away along with all the other long-established industries that have faded away during the course of this Conservative Administration.

I am pleased that the Minister and my hon. Friend the Member for Birmingham, Hodge Hill (Mr. Davis) got together and got to the bottom of the problem. I am pleased that the Minister has said the amendment will put the matter right. The problem in Cyprus may be a small one in relation to industry in this country, but it would have had very serious ramifications for the economy of Cyprus. I am glad that the Minister has solved the problem, that the economy of Cyprus will not be damaged, and that the economy of this country, certainly in the Manchester area and in Birmingham, will not be damaged either.

My hon. Friend the Member for Workington (Mr. Campbell-Savours) wants to intervene when the Minister comes in, if he does. I hope that, in a spirit of co-operation, the Minister will give way so that we can put this matter right and for once have unanimity in the House.

Mr. Randall: My contribution to this debate will be brief because we had a considerable debate in Committee.

I believe that the Government were not aware of the anomaly caused by the change which took place in the 1984 Budget, and the way in which the importers were mixing their various grades of sherry overseas. That affected the imports. That anomaly was having a detrimental effect not just on the economy of Cyprus and the standard of living of its people, but also upon the retail and distributive outlets in this country.

As my hon. Friend the Member for Birmingham, Hodge Hill (Mr. Davis) pointed out, the Co-operative Wholesale Society is our largest importer of Cyprus sherry. I know that the society was deeply concerned about the effect of this anomaly. I agree with my hon. Friend the Member for Wrexham (Dr. Marek): I am delighted the Minister has had consultations, and from what he said they seem to have been very thorough. If the amendment is accepted, an anomaly will have been overcome, and that will be to the benefit of everybody.

Amendment agreed to.

Mr. Campbell-Savours: On a point of order, Mr. Speaker. The amendment was moved by the Minister. Why did he not seek to reply to the debate?

Mr. Speaker: That is not a matter for me; it is a matter for the Minister.

Clause 3

HYDROCARBON OIL

Mr. K. Harvey Proctor (Billericay): I beg to move amendment No. 1, in page 2, line 26, leave out subsection (2) and add—

'(2) In section 9(2) of the Hydrocarbon Oil Duties Act 1979 (oil delivered for home use for certain industrial purposes) the words "but do not include the use of oil as fuel or, except as provided by subsection (3) below as a lubricant" shall be deleted and there shall be inserted in its place the following:—

"*(c)* use in the bench-testing of an internal combustion piston engine by a motor vehicle manufacturer or motor vehicle engine manufacturer during the research development manufacture or preparation of such engine or any part thereof

but do not include except as provided in subsection 2*(c)* above the use of oil as fuel or, except as provided by subsection (3) below as a lubricant".

(3) Subsection (1) above shall be deemed to come into force at six o'clock in the evening of 19th March 1985 and subsection (2) shall be deemed to come into force on the passing of this Act.'.

The purpose of the amendment is to allow fuels used in research and development of automotive engines to be exempt from duty under the Hydrocarbon Oil Duties Act 1979. This is not a new idea or a new amendment. The amendment covers only the bench testing of engines for research and development in the motor industry. The cost to the Exchequer would be around £3 million a year for the industry as a whole. Ford carries out this type of work in my constituency of Billericay and would save about £500,000 a year.

My hon. Friend the Under-Secretary of State for the Environment has been closely involved in EEC moves to reduce pollution levels of vehicle exhaust gases. Like me, he believes that British development in lean-burn technology—that is, altering the ratio of the fuel to air mixture in the engine—is the key to more acceptable emission technology throughout Europe. The motor industry is spending millions of pounds to achieve these improvements, and much of the work is carried out by Ford at Dunton in my constituency, where the company employs 3,316 people. It is the largest employer of labour in my constituency.

This is a tax on innovation and is not levied in some of our overseas competitive markets, such as Germany,

which puts the United Kingdom industry at a serious disadvantage when competing for research work of this nature. Engine research and production is vital for Britain if we are to maintain a high technology base, and is vital for our overseas trade. Ford produced over 780,000 engines last year in the United Kingdom and 46 per cent. of those engines were exported, earning for Britain £250 million.

The research being carried out into new generations of engines will have a continuing benefit for the United Kingdom balance of trade. Ford recently announced a £157 million investment in new engine development at Dagenham in order to produce about 200,000 engines a year, the majority of which will be for export. The developments are the result of long and expensive research activity in my constituency and bring to a total of £370 million Ford's engine investment in the United Kingdom in the last two years.

Lean burn still has enormous development potential; that is why we should be anxious to ensure that the United Kingdom motor industry does not suffer development costs that are not experienced by some of our competitors abroad. There is a case for arguing that all aspects of automotive engine research, which include engine testing both in vehicles and on test rigs, should be excluded, but the difficulty in controlling such exemptions is recognised, and this modest amendment applies only to rig testing where separate fuel storage facilities and records can be easily verified.

I hope that my right hon. Friend will look carefully at the points made in the amendment and be able to regard them with some favour.

Mr. T. H. H. Skeet (Bedfordshire, North): I congratulate my hon. Friend the Member for Billericay (Mr. Proctor) on moving the amendment, and I shall be extremely disappointed if the Minister of State does not accept it.

The need for the amendment arises out of section 9 of the Hydrocarbon Oil Duties Act 1979 in which considerable concessions were made. The provision covers the exemption of petroleum products used in the manufacture of an article, for cleaning plant and for certain lubricating purposes. I should not have thought it unreasonable to extend it still further.

My hon. Friend was right to say that any tax on what we call research and development is a tax on innovation, enterprise and the way that the country is likely to go. I should have thought that the amendment was the right course to follow.

It might be helpful to read a short paragraph in a letter that I have received from Ford:

"the engines we produce at Dagenham and Bridgend have substantially increased our exports from the UK and offer the prospect of reduced emission levels and improved fuel economy."

The Minister of State should take account of this observation:

"But the payment of excise duty is imposing a substantial cost on our research and development programme in the UK. The petrochemical industry is not charged duty on fuel used in this way and certainly we are at a disadvantage compared with companies in Germany where there is a tax rebate on such uses of fuel."

Everyone knows that the motor car industry in the United Kingdom is struggling. We also know that our leading competitors are France, West Germany and elsewhere and that we must be on level terms with them. We are concerned not only with the lean-burn engine but with the use of ceramics for cylinder blocks. All these have to be experimented with, and many petroleum products have to be utilised to find whether they are suitable for the market. I should have thought that what leads to a better and more efficient engine and a more adaptable way of producing cars was what the Treasury in all its wisdom should encourage.

If my right hon. Friend fears that the fuel might be used for vehicle use on the open road, it could be dyed just as diesel is dyed, and some tracer compounds could be included in it. There are very few sites in which it would have to be organised in the United Kingdom, because it would involve only the main motor companies. Storage facilities could be agreed, and there could be a pipe feed between the storage facilities dedicated for the purpose and the few sites in question.

As my hon. Friend said, we are talking about static engine testing. It is for the motor industry, which is very competitive. Unless R and D work is done, the industry could be going into extremely heavy weather. Therefore, I support my hon. Friend's suggestion. I know that the Minister of State does not want to make many concessions on this occasion, but when the takes account of the importance of research and development to British industry, especially the motor industry, which is under considerable strain, bearing in mind that the amendment will deprive the Treasury of only £3 million a year, I hope that he will regard this as an area in which he should make a concession.

6.45 pm

Mr. Terry Davis: I am not unsympathetic to the amendment, even if it comes from what I regard as a surprising source. Nevertheless, I should like to know a little more about the cost involved, and I await the Minister's response before advising my hon. Friends how to vote.

Dr. Marek: I am also not unsympathetic to the amendment, but I wonder whether it is the right way to proceed. I am worried whether there would be sufficient control, and I am not assured that it would add anything significant to research and development. I am all for increasing the sums that companies spend on R and D, but I should have thought that the best way to do that was to provide fiscal incentives generally rather than to go for it piecemeal, as this proposal seems to do.

Mr. Hayhoe: As my hon. Friend the Member for Billericay (Mr. Proctor) said, the purpose of the amendment is to relieve from excise duty hydrocarbon oil —mainly it would be petrol—used in the bench testing by manufacturers of motor vehicle engines. As my hon. Friend said, this is not a new proposal. I understand that this relief or something similar to it has been sought for at least 20 years and that successive Governments have taken the view that it is inappropriate to grant it.

I was glad to note my hon. Friend's comments about the Ford motor company's research and engineering centre in his constituency. I am sure that we all welcome what is being done there to develop a lean-burn engine. Looked at in isolation, the case for giving duty relief on oil used as fuel in research and development of lean-burn motor engines especially is at first sight reasonable. The amount of revenue forgone in this very restricted area would be

[Mr. Hayhoe]

small as a proportion of the total yield. But if the relief was so drawn, only a few major motor manufacturers would be involved and the administrative effort would not be great.

Those are the simple arguments in favour of the relief sought by my hon. Friend. However, his amendment is drawn more widely, and there would be a strong probability of further repercussions. The amendment goes further than relief for research and development and seeks relief also for fuel used in bench testing during the manufacture or preparation of engines. It also covers the manufacture or preparation of parts.

The hon. Member for Birmingham, Hodge Hill (Mr. Davis) asked about the cost. From what I have said he will appreciate that it is very difficult to give an accurate estimate.

Mr. Campbell-Savours: Why?

Mr. Hayhoe: I have just explained why. It is very difficult to judge how far the amendment would go in covering the work being done by manufacturers. At the moment the best estimate that I can give is that it would be several million pounds. The best estimate that the Customs can produce of the non-road use of petrol is in the order of £50 million to £100 million, and it could be argued that a very substantial part of that, if not covered directly by the amendment, would be somewhat on all fours with the amendment, and I am sure that the case for equity would be argued by others saying that they should also benefit from it.

There are knock-on effects and, as my hon. Friend said, there are control difficulties, though he thought that they could be overcome. I am not sure whether the control arrangements that apply to diesel oil which is used for particular sections of industry, which are relieved, will be as effective as the hon. Gentleman thinks in dealing with the wider questions of control that would arise, if the amendment were accepted.

Mr. Mark Fisher (Stoke-on-Trent, Central): Will the Minister give us slightly more information about his estimate of the cost? He seems extremely vague on that subject. What estimates has he received, what consultations did he have, and what representations did he receive that lead him to believe that the cost would be several million pounds?

Mr. Hayhoe: I received that advice from my advisers, who studied the terms of the amendment, which do not necessarily provide what the hon. Members who tabled the amendment wish to suggest. It is important on Report to deal with the words before us. The approach in Committee is different because we can deal more generally with the ideas behind the matter, and if the words are defective we can correct them later. My advice is that several million pounds are involved.

Mr. Skeet: My hon. Friend is not unsympathetic towards the amendment. Will he undertake to consider the matter seriously and to see whether, within his terms, he can assist us? Will he bear in mind that such assistance is provided in Germany and other Continental countries, and that something should be done to help the British motor industry?

Mr. Hayhoe: I am glad to undertake to have further consultations, and a better estimate of the cost involved, especially with a closer definition of the proposed changes, may be made.

The duty on petrol has generally been regarded by successive Administrations—I emphasise that this is not a new matter which has arisen in recent months—as one on the product itself, wherever it is used. Exceptions are made for refineries, fishing boats, and for petrol and oil when it is used as a manufacturing material and furnace fuel. The House will be aware of the reduced rates that apply for aviation gas. The exceptions are few, and successive Governments have maintained that line.

Apart from the control difficulties, which arise from possible abuse, revenue would undoubtedly be lost. I accept that my estimates are not as accurate as those which I normally give.

Mr. Campbell-Savours: The Minister did not take the amendment seriously.

Mr. Hayhoe: I shall continue to ignore the hon. Gentleman's series of interventions from a sedentary position.

The relief proposed in the amendment is not as clearly defined as one would wish. In those circumstances, and following the precedent of many of my predecessors who have replied to similar debates or dealt with similar representations from the industrial interests involved, I cannot commend the change to the House. If the amendment is not withdrawn, I hope that the House will reject it.

Mr. Proctor: I thank my hon. Friend the Minister for replying to the points raised by my hon. Friend the Member for Bedfordshire, North (Mr. Skeet) and me. I was surprised that the hon. Member for Birmingham, Hodge Hill (Mr. Davis) was surprised that I moved the amendment. During the last Parliament, I represented more Ford employees than any other hon. Member, and in this Parliament I represent many Ford workers, some of whom work at the Ford research and development establishment in my constituency, some work in my former constituency of Basildon, and some may work at Dagenham, but live in Billericay, Wickford or other parts of my constituency.

Mr. Terry Davis: I have respected the hon. Gentleman for his consistency in opposing subsidies, and this appears to be a subsidy to research and development.

Mr. Proctor: I am certainly opposed to subsidies in principle. As the hon. Gentleman knows, one represents one's constituents to the best of one's ability, and there is no inconsistency in that.

Mr. Campbell-Savours *rose*——

Mr. Proctor: I shall not give way to the hon. Gentleman, who seems to interrupt everyone from a sedentary position, but is not prepared to make a speech. He makes only stupid interventions.

I thank my hon. Friend the Minister for his remarks in replying to the debate. I am grateful for his undertaking to reconsider the point to see whether a more tightly defined amendment can be tabled in future. On that basis, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. Speaker: Order. Before I call the next amendment, it may be appropriate to announce that I have

reconsidered my provisional selection of amendments, and propose to select amendment No. 45 in the name of the right hon. Member for Taunton (Sir E. du Cann).

Clause 5

BLENDING OF CERTAIN WINES TO CONSTITUTE PRODUCTION OF WINE

Mr. Warren Hawksley (The Wrekin): I beg to move amendment No. 2, in page 3, line 17, leave out clause 5.

The amendment would remove clause 5 from the Bill. I do not wish to detain the House long, because the matter was debated at length in Committee. Although I was not a member of the Committee, I read its reports, and hoped that there would be a Government amendment to deal with the problem raised by Opposition spokesmen on behalf of my constituents and Cinzano.

Amendment No. 129 dealt with the Cypriot problems, but did not cover the problem of blending for Cinzano. Cinzano resides in my constituency, and for many years has bottled all its vermouth in Telford. The company came in 1977 when the area suffered, as it still does, from high unemployment. Since then, sales of vermouth have fallen by about 20 per cent. in the United Kingdom, and this has obviously created problems for the company. With great relief, last year to save money it was able to start blending the different strengths and so maintain its bottling production in Telford. Clause 5 puts directly at risk about 50 jobs in my constituency and hundreds of jobs throughout the country. I appreciate that that may not be many, but it is important and should be considered.

Before the Budget, my noble Friend Lord Thorneycroft and I put our arguments on behalf of Cinzano to the Minister of State, who listened carefully. Clause 5 arises from a court case which was taken last year by Customs and Excise against Cinzano and which Customs and Excise lost. The question was whether blending was legal or whether it should be liable to double taxation. The House of Lords eventually ruled in favour of my constituents. It is regrettable that the Finance Bill is being used to change that decision, which has been in force for some time. In the past others engaged in blending when it was to their advantage.

In proposing the amendment, I do not blindly argue that the House should accept it to save jobs. Although that is important, sometimes there are more important matters. There are two strong arguments behind Cinzano's case. First, it is desirable to encourage bottling in the United Kingdom. It is better to use British people to bottle imports, and thus create jobs and add value to the raw product, than to import a finished product.

7 pm

Secondly, I am greatly worried about the danger that the proposal will lead to retaliation in other countries. I have in mind particularly the problems in the past in Italy where the sale of Scotch whisky has met with resistance, and has had to be dealt with at the highest level. Italy has acted honourably and has agreed to the sale of whisky in Italy without difficulty. If we introduce a piece of legislation that appears to be aimed at an Italian company, or at vermouth producers generally, Italy may try to retaliate. If that were to happen, it would be to the disadvantage of Britain.

Mr. Campbell Savours: The hon. Member is making a substantial case. He will know that many hon. Members feel strongly on the matter. Some of us intend to press the matter to a Division. Will he vote with us against the Government?

Mr. Hawksley: It would not be the first time that I voted against my own party. I certainly have no fears of voting for what I believe in. If there is a Division, the hon. Gentleman will see how I vote. It is important that the matter should be aired. If hon. Members feel that it is necessary to force it to a Division, that is up to them. It is interesting that in Committee the Opposition did not bother to push the matter to a Division.

Retaliation from foreign countries is a risk that must be considered. Cyprus, South Africa and Australia may be satisfied that, following a previous amendment, problems affecting them will not arise, but the risk that I have mentioned should be borne in mind.

I wish to save jobs in my constituency and I make no secret of it. The arguments in favour of encouraging bottling in Britain, and making sure that we do not put our exports at risk, justify the tabling of the amendment. I hope that I have persuaded the Minister that the arguments are just and that he will accept my amendment.

Mr. Fisher: I am delighted to support the amendment tabled by the hon. Member for The Wrekin (Mr. Hawksley). The burden of his argument—although he was too polite to say it—is that the clause as drafted is nonsense and is simply a response to the situation in which the Government have put themselves. As the hon. Gentleman says, as a result of the clause, 50 jobs could be lost in his constituency. As he is an hon. Gentleman and has spoken eloquently on the subject, I am sure that he will back up what he said and join us in the Division Lobby in voting for the amendment. We shall welcome him on that occasion.

The hon. Gentleman related the background to the clause to the judgment in another place in February this year but, as I am sure he is only too well aware, the clause in this year's Finance Bill arose through a piece of faulty drafting of a measure in last year's Finance Bill when the Government were trying to comply with a judgment of the European Court.

The 1984 Finance Bill widened the differential between light and higher strength wines. Cinzano and other companies which are smaller and less well known saw that that gave them an opportunity to blend higher strength wines, with between 15 and 22 per cent. alcohol, with lower strength wines with less than 15 per cent. alcohol, and thus to pay duty on the proportional strength. As I understand the position, it meant a differential for them of 20p less duty per bottle. It arose from a mistake by the Treasury in its drafting last year, but now the Government are saying that what Cinzano is doing constitutes production.

Will the Minister in his reply say whether he agrees with me that production is already defined in the Alcoholic Liquor Duties Act 1979? I hope that the Minister will confirm my reading of that Act, in which it says that production means a material change in the product through a fermentation of grapes. According to that definition, we are concerned here not with production but with something called blending. It is an old practice, well known in Britain. That is how many fortified wines are made. The

[Mr. Fisher]

House of Lords was unanimous in ruling in February that blending was legal. Is the Minister now saying that the House of Lords was wrong in defining blending as legal, and that it was wrong in confirming the definition of production contained in the 1979 Act?

The truth is that the 1984 Finance Bill got things wrong and created a situation of which Cinzano has taken advantage. The Government are supposed to be in favour of business initiative but, when they see a company seizing an area of the market in which it can make money and provide jobs and opportunities and income in Britain, they immediately try to close what they consider to be a loophole.

I ask the Government to reconsider their view. They made a mistake last year and they are trying to cover it up this year, but the measure, as it stands, will lead to double taxation. As the hon. Member for The Wrekin has said, it will lead to job losses. It will also be a false economy, because the Treasury is likely to be the loser.

Mr. Freeman: Will the hon. Gentleman explain to the House in a little more detail how double taxation will apply if the company does not blend the product in future?

Mr. Fisher: I understand that the company wants to blend the product and, if it does so, it will suffer double taxation on the importation of the wine and on the blended product that it produces. That is manifestly unfair, and I do not think that even the Government can have intended that result. The hon. Member for Kettering (Mr. Freeman) shakes his head, but I understand that to be the position. The hon. Gentleman, who was a member of the Standing Committee, will recall that the Minister appeared to give some rather cautious and circuitous reassurances about setting up bonding arrangements, but it is my understanding that the Customs and Excise would not allow small companies to have those bonding arrangements, which are seen as a way round double taxation.

I believe that the Government made fools of themselves in their drafting of the Finance Bill last year. They will not concede that they made a mistake, and in addition they are challenging the ruling in the other place. On both counts we shall oppose them, and I hope that the hon. Member for The Wrekin will join us in the Division Lobby.

Mr. Freeman: I was not intending to speak in the debate, but I should like to declare an interest as a director of Martini and Rossi Ltd., which has two-thirds of the vermouth market in branded products in the United Kingdom. Therefore, I am familiar with the problem which has been brought to the attention of the House.

It might be of assistance to the House to know how the industry has reacted to the problems that my hon. Friend the Member for The Wrekin (Mr. Hawksley) has so clearly portrayed. It is important to appreciate that the ending of blending has merely put the industry back to the position in which it was before initiatives were taken by my own company—and certainly Cinzano and other companies—to blend for the purpose of mitigating the effects of the comparatively higher rates of excise duty that were introduced—with the consequential VAT rates—in the Budget last year. As a result of this year's Budget, all that happened is that we in the industry have gone back to the burden of excise and VAT duties which applied before blending.

Mr. Fisher: I would be grateful if the hon. Gentleman, with his expert knowledge of the industry, could clarify one matter. Is it not the case that the duty arrangements have now been altered? They were altered by the 1984 legislation under which duty on a blended wine was payable at the higher rate rather than at the average and mixed rate. That loophole has created these circumstances, and if the so-called loophole is closed there will be job losses. It is that point which has opened up the whole area of change.

Mr. Freeman: All that has happened is that we have gone back to the situation which existed before, whereby the duty was charged on the blended product as opposed to the constituent parts of the product which was blended. If the duty was charged on the constituent parts, the duty was lower than that charged on the blended product. The hon. Gentleman is absolutely right.

My point is a simple one. The hon. Gentleman talks about employment prospects in the industry. That is a perfectly fair point to make, but it is nothing to do with blending. The problems of the industry, to the extent that there are problems, existed before blending because blending has taken place, as the hon. Gentleman knows, for the last nine months only. Therefore, to connect the argument of job losses with blending and with the ending of blending is a little misleading. If there are problems in the industry because of changing tastes, competitive pressures and comparatively high rates of duty in comparison with the duty on still wine—and, as my hon. Friend the Minister of State knows, all those points have been represented to him in the past, and doubtless will continue to be represented to him—I do not think that there is any validity in the argument which relates the employment problems and prospects of the industry specifically to the episode of blending. It is more relevant to connect the problem of employment prospects and the prosperity of the industry to the situation that prevailed hitherto.

Mr. Austin Mitchell: I still do not follow the point that the hon. Member for Kettering (Mr. Freeman) makes. On the amendment — let us not call it a wrecking amendment, but a Wrekin amendment — the hon. Member for The Wrekin (Mr. Hawksley) said quite clearly that a lower duty was payable on the component parts of the blended product than that payable on the blended product. This gave an incentive to blend it in this country, and thus created jobs. The argument is that 50 jobs have been created in The Wrekin which the Government now seek to wreck. In the case of Martini, a larger number of jobs—possibly 200, but I am not sure, because Martini has a bigger share of the market — have also been created by Martini in the process of blending.

Mr. Freeman: I think that it would be fair to say that no new jobs have been created as a result of blending, and in my company no jobs will be lost by the ending of blending. The episode has had a totally neutral effect on employment prospects and employment in my company.

7.15 pm

Mr. Mitchell: In that case, is Martini blending abroad? The explicit evidence of Cinzano is that it is blending in this country and that, unless the amendment is carried, 50 jobs will be lost. We have assumed that Martini is behaving with similarly patriotic motives, with the desire

to encourage jobs in the country, and that it, too, will lose jobs unless the amendment is carried. If that assumption is wrong, the argument concentrates on Cinzano, which, of the two companies, is perhaps behaving more honourably.

I hope that the hon. Member for The Wrekin will push the amendment to a Division because it is an important issue. It is well worth taking a stand against the Government. I was hoping that the Minister of State would give us the "Mr. Nice Guy" routine, of which he is the representative in the Treasury, and accept the amendment, realising that the Government have erred. The Government have erred because they are behaving with clear and simple vindictiveness. Indeed, I speak in the debate to criticise the way in which the Government are acting.

The Government have been defeated. They lost in the House of Lords where their arguments were not acceptable. Having lost at the game, they are now changing the rules of the game to get more money out of firms. In so doing, they are destroying jobs—Cinzano jobs, if not Martini jobs. On the evidence that Cinzano has provided, the Government are certainly destroying jobs. While the Government, albeit accidentally, have created 50 jobs in Cinzano as a result of blending, out of vindictiveness, to get their own back for having been defeated in the House of Lords, they are destroying those jobs, so it is worth making a stand on the issue.

The Government argue that the blending was simply a tax loophole because it was cheaper to pay duties separately on low and high strength wines which were then blended rather than to pay duty on an already blended, imported vermouth. In fact, blending has been practised regularly over the years. It is a traditional process. The great gain of the decision was that the blending was being done in this country.

The House of Lords in its unanimous ruling in February this year found that blending is legal, does not constitute production and, therefore, should not be double taxed. It is that decision that the Government are trying to reverse. The Government claim that, because of the practice of blending, they have lost £3 million from Cinzano and £10 million all told. However, in attempting to recoup the money they have lost, the Government are penalising themselves. The loss of jobs implied in the loss of blending in the country will lead to people becoming unemployed and to a loss in PAYE and national insurance contributions. This almost certainly will knock off something like £1·4 million in costs from the £3 million that the Government will gain in taxation. The Government are cutting off their own nose to spite their face in a fit of petty vindictiveness because they were defeated in the House of Lords. It is as simple as that.

Dr. Marek: It is amazing that in the debates on the Finance Bill one Conservative Member after another is pleading for more money to be given by the Treasury in the form of a tax cut or as extra expenditure for some constituency enterprise. In the past hour, we have heard the hon. Member for Billericay (Mr. Proctor) making a case for extra money to be provided for research and development in engines in his constituency, and the hon. Member for The Wrekin (Mr. Hawksley) stating that a special situation exists in his constituency for which extra money should be provided by way of a tax concession to preserve jobs in the constituency.

Mr. Hawksley: Will the hon. Gentleman accept that I am not asking for extra money, only that last year's status quo should continue?

Dr. Marek: There was a status quo situation last year but not the year before. Conservative Members are very good at looking after their constituency interests. Nevertheless, during the past two years they have voted with the right hon. Lady the Prime Minister against all sorts of public expenditure. No matter what kind of public expenditure it was, it was bad, until last week when the Chancellor suddenly said that perhaps public expenditure was good and that it should be increased.

Mr. John Golding (Newcastle-under-Lyme): As the hon. Member for The Wrekin (Mr. Hawksley) will vote with us against the Government, is this not the wrong time to chastise him?

Dr. Marek: I am suitably admonished and will not pursue that line of argument. Last year Cinzano took advantage of the loophole. If there is a tax loophole it should be closed, but this one is slightly different. My hon. Friend the Member for Great Grimsby (Mr. Mitchell) said that earlier this year the House of Lords unanimously concluded that blending was not production and that it would be more acceptable if duty was levied on wine at the port of entry; there would be fiscal neutrality. After wine had been imported and duty paid it could be mixed or diluted without the need for further checks by Customs and Excise.

I understand the Government's point of view. They feel that they have been "done" and that legislation has exposed this loophole, as a result of which they have lost revenue. They want to get it back, but I ask the Minister of State, Treasury to think carefully about the matter. If a substantal amount of revenue has been lost something must be done, but if we return to the 1983 position 50 jobs will be lost in Telford. Could not the Government have discussions with Cinzano and find out how small a concession needs to be made for Cinzano profitably to keep open its blending plant in Telford?

Ever since we joined the European Community we have heard about jobs being exported to France, Italy and other countries. For once the position has been reversed. Jobs have come, albeit in an unusual way, to this country and we should do everything that we can to try to keep them here. I hope that the Minister has had discussions with Cinzano. I am sure that the company would not say that the plant will be closed unless the 1984 position is retained; it would be exceedingly silly of Cinzano to adopt that attitude. The concession could be tightened up. Most of the revenue would then be recouped, but a sufficiently significant concession could be made to enable Cinzano to keep open its blending plant in this country. With 4 million people unemployed we must change direction. Manufacturing has not recovered; it is still below the level at which it stood in 1979. The Opposition believe it is most important that these jobs should be retained, and it would not cost very much to keep them here. If the Minister of State has the will, I am sure that he will find the way.

Mr. Campbell-Savours: First, may I refer to what was said by Conservative Members about my sedentary interventions. For some inexplicable reason the Minister of State suddenly took his seat when, it appeared to me, he saw that hon. Members wished to intervene during his speech. Only the Minister knows why he did that.

[Mr. Campbell-Savours]

Since we are debating a subject that is connected with sherry, perhaps I may put to him a question that I had intended to ask during his speech. During his discussions with representatives of the Cyprus Government, were employment questions raised by them? I am informed that they were. Was his judgment on that matter influenced by the possible loss of jobs in Cyprus, in the event of the Government failing to make the necessary changes?

Could it be that the 150 jobs that are at risk at the CWS blending plant at Irlam near Manchester and the thousands of jobs that will be lost in Cyprus affected the Minister's decision? If so, it means that employment implications are on the agenda. If they are on the agenda, the letter that was written by Cinzano to me and to other hon. Members is relevant to our debate. Mr. Farrar, as the managing director of Cinzano, must know his business. I am sure he objects to Government Ministers telling him his business, as may have happened this evening. He said:

"As you know, we are extremely concerned about this clause which has made it uneconomic for us to continue blending vermouth in the UK. As a consequence our Telford blending plant is likely to close with the loss of 50 permanent jobs and others in ancillary industries."

Mr. Hayhoe *indicated dissent.*

Mr. Campbell-Savours: From a sedentary position, the Minister is shaking his head. He complained about my interventions from a sedentary position, but mine were oral. Perhaps the Minister is concentrating on another issue. If so, he should address himself to this issue. Mr. Farrar says that 50 jobs are likely to be lost. That should be a crucial consideration, particularly if it influences the Minister's judgment about Cyprus sherry. Mr. Farrar continued:

"You will not be alone on this issue. We have had support from all sides of the House and there was a fairly lengthy debate on the subject during the Committee stage when I am afraid the Minister stonewalled."

Of the 640 or so hon. Members of this House, only one Conservative Member has said that he supports the Opposition, yet he has been unwilling to give an undertaking that he will vote with us tonight. Where are the hon. Members who support the Opposition? Have they been silenced by the Whips? Have the Whips issued an instruction to Conservative Back Benchers not to speak on this issue and embarrass the Government because of the job implications?

Mr. Fisher: My hon. Friend will remember that in Committee we debated this clause for more than an hour and a quarter. During that time not a single Conservative member of the Committee sought to catch the Chairman's eye and speak. I do not know, therefore, why my hon. Friend is so surprised that Government Back Benchers are reluctant to speak tonight. We welcome the support of the hon. Member for The Wrekin (Mr. Hawksley) and are delighted that he will be voting with us on behalf of his constituents. I do not know where Mr. Farrar got the idea that he has support from the Tory Back Benches, because it was certainly not apparent in Committee.

7.30 pm

Mr. Campbell-Savours: Mr. Farrar met Conservative Members. He asked for their support and they undertook that they would give it. In the light of that, Mr. Farrar wrote to me and some of my hon. Friends. I wish to know why those Conservative Members have been prevented from expressing their support in the Chamber. In reference to the effect of the clause on 50 jobs, Mr. Farrar said:

"it affects real people, real jobs"——

Mr. John Major (A Lords Commissioner to the Treasury): Try to keep a straight face.

Mr. Campbell-Savours: The assistant Patronage Secretary suggests that I smiled. He knows the truth about why those Conservative Members have failed——

Mr. Austin Mitchell: Has it occurred to my hon. Friend the Member for Workington (Mr. Campbell-Savours) that the assistant Patronage Secretary might be a consumer of these drinks?

Mr. Campbell-Savours: Perhaps that accounts for the smile of the hon. Member for Huntingdon (Mr. Major). Mr. Farrar said:

"it affects real people, real jobs and the interests of industry as well as the consumer. We have fought long and hard—and successfully—through the Courts for the right to continue blending without being subject to punitive taxation. Now the Government wants to overrule the decision of the Courts. Please help us to dissuade them from this action."

We are trying our hardest to persuade the Government against the course that they currently seem bent upon. We seek the support of Conservative Members.

From a constitutional point of view, there is another matter of interest to the House. I am sure that it will appeal to the right hon. Member for South Down (Mr. Powell), because he specialises in European matters. It has been suggested that the Government exercise positive discrimination against European products. As Britain is a member of the European Community, there is much concern about the matter. Some Members of the European Parliament have tabled questions about it. It is hard to understand why the Minister is unwilling to cede the point while those questions remain unanswered. If it could be proved that there were some form of positive discrimination against European products, the Government might wish to reconsider the matter. Even at this late stage, I ask them to take that into account.

According to Mr. Roth's "Parliamentary Profiles" the hon. Member for The Wrekin (Mr. Hawksley) is sensitive to constituency issues. On one occasion, he was so sensitive that he warned the Patronage Secretary and his assistants that his seat would be at risk if he backed entry for Asian fiances. For many hon. Members, that may be an obscure issue.

Mr. Deputy Speaker (Mr. Ernest Armstrong): Order. The hon. Gentleman must not stray too far from the amendment.

Mr. Campbell-Savours: I am coming straight back into order, Mr. Deputy Speaker. The hon. Member for The Wrekin expressed his view on that occasion and this is a far more sensitive issue for the people of his constituency. The Labour party in The Wrekin is expressing considerable anxiety about the matter and it hopes that the hon. Member will feel strongly enough to vote against the Government.

Mr. John Golding (Newcastle-under-Lyme): Unusually, I do not wish to go all round The Wrekin. However, I congratulate the hon. Member for The Wrekin (Mr. Hawksley) on his courageous stand.

Mr. Campbell-Savours: What courageous stand?

Mr. Golding: I assume that the vote will follow the voice. I know that when the hon. Member for The Wrekin votes, he will be putting his career at stake and his chances of promotion at risk.

Dr. Marek: Non-existent chances.

Mr. Golding: No. My hon. Friends are unusually uncharitable today. The hon. Member for The Wrekin is taking a correct and courageous stand against the Government and he may suffer in consequence. I have already seen sinister individuals trying to talk him out of pressing his amendment. The hon. Gentleman will not be alone in the Division Lobby. He should stick to his amendment. We shall vote with him and give him and his constituents the support that they deserve. We could feel malicious towards the hon. Gentleman because he defeated a first-class Labour candidate at the general election. But we are forgiving and we will stand with the people of The Wrekin in support of their hon. Member who has moved the amendment in their interests.

Some of my hon. Friends are slightly cynical about the intentions of the hon. Member for The Wrekin. I do not share that cynicism. I expect the hon. Gentleman to vote on the amendment, because the issue is so serious to his constituents. The Wrekin has one of the highest unemployment rates in the west midlands.

Mr. Campbell-Savours: It is 21·7 per cent. — 13,000 people.

7.45 pm

Mr. Golding: No doubt my hon. Friend will tell me any minute now how many of those people are male, how many are female and how many are young. I know that the youth employment rate in The Wrekin is one of the highest in the country. That is why the hon. Member for The Wrekin has been driven to put his future and his promotion prospects at risk. He is challenging not only the Minister of State, Treasury, but the assistant Patronage Secretary.

Why have the Government brought in the assistant Patronage Secretary? He is a reminder of what might happen to the hon. Member for The Wrekin if he votes in the interests of his constituents against the Government's dirty deed. I am shocked that the Government have not brought in the Patronage Secretary himself. His absence is almost a slight on the hon. Member for The Wrekin. The hon. Member for The Wrekin must go into the Division Lobby. Indeed, he must lead the way into the Lobby.

Mr. Deputy Speaker: Order. I hope that the hon. Gentleman will relate his remarks to the amendment.

Mr. Golding: I am saying that I think that the amendment is of first-class importance and——

Mr. Deputy Speaker: Order. I am talking about the terms of the amendment.

Mr. Golding: The terms are at the heart of the matter for the constituents of The Wrekin.

Mr. Campbell-Savours: Fifty jobs.

Mr. Golding: As my hon. Friend says, we are talking about 50 jobs. It is a matter of good faith. The Government are trying, through legislation, to put jobs at risk. That is the issue tonight.

The House of Lords clearly said "Keep the jobs." What a situation. The House of Lords say that we should not have penal legislation to cripple production. The Law Lords say "Keep the jobs" but Ministers in the Commons say, "Keep the revenue and do not bother about the jobs." That is nonsense.

Has the Treasury calculated how much revenue it will collect. [HON. MEMBERS: "Come on."] Some hon. Members are taking your role, Mr. Deputy Speaker. What calculations have been made about the cost of the loss of the jobs compared with the additional revenue?

Mr. Campbell-Savours: The cost is £1·4 million.

Mr. Golding: I should prefer the Minister to tell me the cost. What is the cost of the jobs? We are talking not about hypothetical jobs but real jobs. Cinzano has said real people and real jobs are involved. It should be possible for the Treasury to make calculations about the cost to the state of the 50 lost jobs. People who are unemployed are a cost on the state.

We want to know the real cost to the state of the unemployment that will be caused compared with the receipts. After that calculation has been made we shall still want to know the cost to the individual of unemployment. What will the social cost be?

The other day I gave a lad from The Wrekin a lift in my car. He had become a market trader in north Wales. He could not get work in Telford because there is no possibility of work there, so he became an itinerant. He described what was happening. It is tragic. There is no work for young people.

Dr. Marek: The Telford area has been given some status in that it has been given some regional development aid recently. That means that the Government recognise the unemployment difficulties in that area. We are talking not only about 50 jobs but about other jobs in ancillary industries. The loss of 50 jobs might not sound very important but it is not insignificant to the 50 who lose their jobs. The loss of those jobs will have knock-on effects, so the problem is more serious than the Government would have us believe.

Mr. Golding: I think that the Government gave assistance to The Wrekin just to spite us in north Staffordshire. The Government might have taken into consideration the marginality of The Wrekin constituency but not the unemployment level there. Granting assisted area status has nothing to do with the Government's sensitivity to unemployment but more to do with their sensitivity to the constituency's marginal status in election terms and the certainty that the hon. Member for The Wrekin will lose his seat at the next election.

It is disturbing that the Government are prepared to go to the length of overturning a House of Lords decision. That is almost incredible. The House of Lords took a decision but the Government, in their determination to make matters worse in the west midlands, have decided to hit Telford even harder. That is intolerable.

My hon. Friends have concentrated on one aspect— unemployment. That is the most important aspect but they have not addressed themselves to the discrimination against those who drink blended vermouth. I wonder why the Government have chosen to impose a further tax on that alcohol. Blended vermouth is a relatively mild drink, which is less intoxicating than many others. Why has the Treasury chosen to discriminate against people who drink blended vermouth? What is the justification for overturning the decision by the House of Lords?

[Mr. Golding]

[Interruption.] It seems that the Whips now want to prolong the debate. The Whips and the Whips' dummies are trying to intervene and I find it difficult to reply to monosyllabic Members on the Front Bench. If they want to ask a question, let them do so.

Treasury Ministers should not sit on their Benches like dummies in Burton's shop window only opening their mouths to utter a single, useless word. The Government must give way to the enormous pressure coming from their own Back Benches. When Cinzano wrote to my hon. Friend the Member for Stoke-on-Trent, Central (Mr. Fisher), it told him that it expected enormous pressure to come from the Conservative Back Benches. That pressure has not manifested itself in speeches, but I assume that those Conservative Members who promised the company that they would speak on its behalf——

Mr. Fisher: They had free meals.

Mr. Golding: My hon. Friend the Member for Stoke-on-Trent, Central forgets himself.

I assume that those Conservative Members who promised to support Cinzano have written to the Minister protesting about the decision. Will the Minister tell us how many Conservative Members, after being wined and dined by Cinzano, have written to him to protest about this tax and in support of the amendment? What undertaking has the Minister given to those Conservative Members?

My hon. Friends are cynical because they assume that those Conservative Back Benchers have not spoken in support of Cinzano because they were not sincere when they gave their undertaking. Of course that may not be so. Those Conservative Members may have discussed the amendment with the Minister and told him that they support it. The Minister may have given them some secret undertaking, which has led them to be absent tonight, thinking it unnecessary to give visible and vocal support in the Chamber. The Minister may have told them that he would do what the company wants. Will the Minister tell us what representations he has received and what replies he has given? If he remains seated, some of us will believe that the company was wrong when it said that there would be Conservative support for my hon. Friend the Member for Stoke-on-Trent, Central on this issue.

Unless the Minister can assure us that these missing Conservative Members have spoken or written to him and discussed this matter with him, we will think that, with the honourable exception of the hon. Member for The Wrekin, who will lead us into the Division Lobby tonight, we shall be alone. There will be only one Tory Member in the Division Lobby surrounded by the supporters of Cinzano, who are the Labour Members present. I am waiting to hear what the Minister will say.

I have just received a note telling me that I am requested to shine my pants. I do not know whether that is a parliamentary note, but I am grateful to my hon. Friend the Member for Great Grimsby (Mr. Mitchell) for his advice. I shall conclude and shine my pants by saying that the Opposition are waiting for the leadership of the hon. Member for The Wrekin and we hope that he will not fail us or his constituents tonight.

Mr. Terry Davis: As the hon. Member for The Wrekin (Mr. Hawksley) said at the outset of his speech, I have taken a particular interest in this issue for several reasons. In moving the amendment, the hon. Gentleman was rather kind to the Government in his summary of the reasons for the problem. He fairly said that the problem began with a decline in sales, but I do not believe that that decline — for which he gave no reason — can be attributed entirely to a change in taste, as was suggested by the hon. Member for Kettering (Mr. Freeman).

There are several reasons. The decline in sales of vermouth began in 1980 with a significant increase in the duty on vermouth. In that year the increase was 30 per cent., and at that point the fall in sales began. That is not surprising. In the past five years total sales of vermouth have declined by 20 per cent. Last year there was a very steep increase in the tax on vermouth. It was a small amount in absolute terms, because it was only 8 per cent., but it was a big increase in relative terms because the duty on wine was reduced by 20 per cent. at the same time. Therefore, the relative duties on vermouth and wine were substantially changed to the disadvantage of vermouth.

In the last five years, the duty on vermouth has risen by 80 per cent. whereas the duty on wine has risen by only 20 per cent. It is therefore not surprising that during those five years there has been such a substantial fall in the sale of vermouth, and that decline in the total market has caused the problem for Cinzano.

The hon. Member for The Wrekin said that it was a relief for Cinzano to start blending last year, but I should remind him that the return to blending was occasioned by the big relative increase in the duty on vermouth. That was not designed to save sales; it was a step to reduce the duty and to improve sales by affecting the retail price of vermouth. Although the duty has risen significantly in the last five years, the retail price of vermouth has risen by much less. Consequently, the increase in duty has tended to be absorbed by Cinzano.

My hon. Friend the Member for Stoke-on-Trent, Central (Mr. Fisher) said that the Government made a fool of themselves last year. He is absolutely right, because at the same time as there was a big increase in the duty on vermouth there were changes in the categories of wine and fortified wine. The Government made particular fools of themselves in that context because they created a loophole which the makers of Cinzano were right to use to their advantage in order to alleviate the problem caused by the increase in duty.

The Government then tried to cover up their mistake by going to court. In fact, they took the case all the way to the House of Lords on the argument that if blending took place in this country it was a type of production and, therefore, a tax should be paid on top of the tax that was paid on imported wines. In other words, there would be double taxation. That is what the Government tried to achieve by legal proceedings.

I disagree with my hon. Friends in their analysis because I believe that the hon. Member for Kettering is right to suggest that bonding is the answer to the problem of double taxation. The Minister made the point in Committee—I have examined it carefully, and I think that he is correct — that bonding is the answer for Cinzano. There is a level at which an importer must import wine in order to be given the opportunity to import into bond and to pay tax as the wine leaves bond. I entirely accept that Cinzano is above that level and, therefore, that bonding could be described as an answer.

It is not simply a problem of double taxation. Even if Cinzano uses bonding and blends in bond—so that the

company pays the tax only once, as the wine leaves the bond—it still faces the overall increase in duty of nearly 8 per cent. in five years, and a decline in sales. That increase in duty applies if the wine has been blended in bond. The bonding arrangement simply puts Cinzano back to where it was a year ago, when it began to take advantage of the loophole.

8 pm

I have described it as a loophole, but let me make it clear that I am not criticising the management of Cinzano. On the contrary, it deserves praise for showing flair in spotting an opportunity to alleviate difficulties created for the company by the Government's increase in the total duty on vermouth. Clearly, sharper people work for Cinzano than work for the Customs and Excise. Indeed, a learned judge said that the Government needed not a lawyer but an arithmetician.

There are some people with extremely sharp pencils working for Cinzano, and it is to the credit of the company that it took the opportunity to save jobs at Telford. It is not true to say that blending created those jobs at Telford. There was already a bottling plant there. Those jobs were jeopardised by the decline in sales, a decline that was the result of the Government's increase in the duty on vermouth. The management of Cinzano saw an opportunity to use blending to save jobs, and I gather that there are 50 full-time jobs at the Telford plant.

What are the Government willing to do about those jobs at Telford, if they intend to insist on clause 5? I appreciate the Government's argument on the issue and I have some sympathy with it. However, that does not get them off the hook from the point of view of those jobs at Telford.

Yesterday we were told by the hon. Member for Beaconsfield (Mr. Smith) to devote more time in our debates to the problems of unemployment. That is precisely what we are doing tonight, although that hon. Gentleman is not in his place. The Government have a responsibility to explain what steps they will take to save those jobs at Telford if they insist on blocking the so-called loophole that has been used by Cinzano in the last 12 months.

We can look a stage further and ask what the Government propose to do to create more jobs in blending. My hon. Friend the Member for Wrexham (Dr. Marek) referred to the number of jobs that have been exported from Britain. As a result of the introduction of blending, jobs have been imported into Britain. To the extent that vermouth is sold in this country, it will be blended either in Italy or here. In the last 12 months, some jobs have been saved in Britain by Cinzano. That has represented, in effect, the importation of jobs. That raises interesting opportunities. What other new jobs can be provided in the blending of other drinks by other companies? I do not know whether Martini blends vermouth. Either way, what can be done to encourage that and other companies to create such jobs here?

I was impressed by the arguments adduced by the Minister of State in Committee about the cost of opposing clause 5. He said that if we did not approve the provision, the Revenue stood to lose £10 million. About £3 million of that would be derived by Cinzano. I accept that it is an expensive way of saving jobs to spend £60,000 per job. Indeed, using the £10 million, it would work out at £200,000 per job. I appreciate, therefore, why the Minister regards that as an expensive procedure.

It was not clear from what the Minister said in Committee whether he was talking about the effect of the current blending operations in this country or was referring to potential blending operations. Is that £10 million the amount that has been lost in the last year, and will be lost to the Revenue in the coming year if we do not approve the clause, as a result of blending operations already located in Britain? Or is it the Government's estimate of the money that would be lost to the Revenue if there was an increase in the amount of blending done here and, therefore, an increase in the number of blending jobs that would thereby be created?

We should know the figures because if we are being told of possible lost revenue in respect of only 50 jobs, we need to know whether the Government are adding to the cost money that would create jobs elsewhere in the United Kingdom. We are satisfied, whatever the figures, that 50 jobs are at risk in Telford new town. We must be told what the Government propose to do to save those jobs if clause 5 is approved.

The Government may be wondering whether my hon. Friends and I intend to vote against clause 5. The hon. Member for The Wrekin lost my sympathy when he said that the Opposition did not vote against it in Committee. He will see at column 103 of the Committee proceedings that the Minister assured us that he would examine the points that we had made, with particular reference to Cyprus sherry.

I am not suggesting that the Minister has not fulfilled every assurance that he gave in Committee. It would have been wrong for the Opposition to have voted against clause 5 at that stage when the Minister had given fulsome and ready assurances not only to consider the points that we had made but to meet a deputation led by Opposition Members. That is why we did not press the point to a vote in Committee.

Not having been a member of the Committee, the hon. Member for The Wrekin may not have been aware of everything that was said at that stage, and he could not have been aware of the flavour of what was said. It would have been discourteous and ungenerous of us to have voted against the Government on this issue then, particularly as we now see that the Minister of State's assurances have been fully fulfilled, for example, in relation to the previous amendment dealing with Cyprus sherry.

We are now concentrating on the issue of vermouth, the jobs at risk at Cinzano and jobs which may be at risk in other companies. We are also concerned with jobs that could be created if only we imported blending jobs into Britain, instead of leaving them in other countries in the Common Market. I await the Minister's explanation before advising my hon. Friends on how to vote on the amendment.

Mr. Hayhoe: This has been a curious debate, since it has taken place by courtesy of my hon. Friend the Member for The Wrekin (Mr. Hawksley). Those outside the House who are not familiar with our procedures may have thought that Opposition Members, who have largely spoken in the debate, were so concerned over the matter that they were determined to have the debate on the motion that clause 5 stand part of the Bill.

That is not the case because the debate is being held wholly by courtesy of my hon. Friend the Member for The Wrekin. If he had withdrawn his amendment last night, there would have been no possibility of Opposition

[Mr. Hayhoe]

Members having this debate. Normally in these circumstances, if hon. Members are determined to make their point of view heard, they sign amendments so that they cannot be withdrawn. Either Opposition Members were not sufficiently wise to follow the normal parliamentary practice and sign my hon. Friend's amendment, or they were prepared to leave the decision on whether there should be a debate, first to Mr. Speaker, to see whether he would select the amendment, and then to my hon. Friend——

Mr. Campbell-Savours *rose*——

Mr. Hayhoe: I appreciate the hon. Gentleman's emotion at having been caught out on the procedural inadequacies of his and his hon. Friend's actions.

Mr. Campbell-Savours: Is the Minister not aware that he casts a slur on his hon. Friend the Member for The Wrekin (Mr. Hawksley)? His hon. Friend, as an honourable Gentleman, would never have withdrawn from the Notice Paper an amendment that was crucial to his constituents. We placed our faith, and were right to do so, in his hon. Friend. We are supposed to be honourable Gentlemen. The Minister should apologise to his hon. Friend.

Mr. Hayhoe: I think that my hon. Friend will be able to use what has just been said in campaigning in his constituency. I do not think that I have heard such an open-ended compliment or endorsement of a Member of Parliament by Opposition Members for a long time. Although I know that my hon. Friend will have no difficulty in defeating any candidate who may be put up by the Labour party, that full and forthright endorsement of his position will be noted by him, and he will take advantage of it.

I reiterate the point that the debate and all the speeches that we have heard from Labour Members are wholly by courtesy of my hon. Friend the Member for The Wrekin. I hope that those who study debates in the House and are concerned with the way in which we deal with the important matter of excise duty will read with care all that has been said on this occasion. That will be to their advantage, and I hope that they will draw interesting conclusions from what has been said.

Most of the comments that have been made have concentrated on the issue of jobs, particularly the 50 jobs at the bottling plant in Telford. Some hon. Members who participated in the debate do not appreciate that, before the Budget changes of 1984, Cinzano was imported in bulk and bottled in this country. The blending was the bonus that flowed from the changes made in 1984. Those changes allowed producers of blended products, if those products were blended from two different levels of alcohol in the liquor, to pay less duty than would be paid in respect of the final product if it had been imported or manufactured in accordance with the law as it then stood. As has been said, that matter was taken to the courts, and the House of Lords, in its judicial capacity, ruled that the Customs and Excise view was incorrect and, as a result, the blending taking place was perfectly legal and proper.

Mr. Fisher *rose*——

Mr. Hayhoe: Let me deal with points that the hon. Gentleman made in his speech. I noted with interest the deference that he paid to the House of Lords and the great unwillingness of Opposition Members even to contemplate overturning a judicial decision by the House of Lords. I am a more robust democrat and a more robust believer in the House of Commons. I believe that in the House of Commons we are perfectly justified in looking at the state of the law that has been determined by the House of Lords—no higher body could so determine it—and deciding that, if we do not like that provision of the law, we can bring to Parliament proposals for change. That is the democratic method, and it is what we are doing in clause 5.

I am astonished that Opposition Members should seek to elevate the decisions of the House of Lords into a constitutional doctrine and that their respect and support for the House of Lords are so intense that the hon. Member for Stoke-on-Trent, Central (Mr. Fisher) should criticise me and other members of the Government for coming forward——

Mr. Fisher: Will the right hon. Gentleman give way?

Mr. Hayhoe: I have listened to a long debate from Opposition Members, and I am wholly entitled to reply to the points that were made.

The 50 jobs at Telford were crucial to the issue. During the debate in Committee the hon. Member for Birmingham, Hodge Hill (Mr. Davis) properly referred not only to those 50 jobs at Telford but to the 150 jobs at Irlam involved in bottling and blending Cyprus sherry. It was the hon. Member for Hodge Hill who reasonably and courteously congratulated me only a short time ago on having brought forward amendments that make the blending of Cyprus sherry unnecessary. Therefore, if the 150 jobs at Irlam are involved purely in blending, they may well be at risk.

Mr. Terry Davis: There may be some misunderstanding between us. I have checked this point. There would not be any loss of jobs at Irlam as a result of amendment No. 129.

8.15 pm

Mr. Hayhoe: In other words, the removal of the need to blend at Irlam is not the determinant; and it would not be with regard to Cinzano, either. I had discussions with representatives of Cinzano, who came to see me before the Budget. I asked the specific question: could the jobs be guaranteed at Telford if the House of Lords judgment—the discussion took place even before we knew that judgment—went against the company and in favour of Customs and Excise? Alternatively, I asked, what would happen if we changed the law? I was not given a categorical assurance about that.

Mr. Davis: The Minister of State will accept my assurance that I checked with both companies and, just as I have been assured that the 150 jobs are not in jeopardy at Irlam as a result of amendment No. 129, I have also been assured that the 50 jobs at Telford are very much in jeopardy as a result of clause 5. I do not make the point in any partisan sense. I believe that those are the facts.

Mr. Hayhoe: Those are representations that have been made to the hon. Gentleman. I note what he said.

It is absurd to say that we should maintain a loophole in the excise duty provisions to allow that blending to take place, as that would create an unfairness, since the blended product would have a lower rate of duty than exactly the

same product that had been blended outside the country or manufactured at the same level of alcohol outside the country. I do not believe that that method of job creation or protection would stand up to intensive survey. As has been admitted, the actual cost of those jobs would be considerable.

There could also be the adverse knock-on effects on others involved in the drinks business, who would be hurt by the unfairness and inequity of letting that "loophole" continue—I use the word that was used by Opposition Members. All that I have heard in the debate convinces me of the wisdom of the Government's proposal to maintain clause 5 in the Bill. I hope that the House will so maintain it.

Mr. Hawksley: I thank the Minister of State for his reply to the debate. We have had a good debate, which has been lively and longer than many of us had thought.

Fifty jobs in my constituency are important. I am glad that we have had an opportunity to discuss them. The hon. Member for Newcastle-under-Lyme (Mr. Golding) talked about the assisted area status aid that had come to Telford, which might help us to create more jobs there. He could have mentioned many other things that the Government have done to help Telford. We have had the new hospital and motorway, the enterprise zone and urban aid grants, which should create thousands of jobs. However, I still believe that, in spite of the thousands of jobs that the Government are creating there, those 50 jobs are very important. I do not ask—not that the Opposition would agree anyway—for leave to withdraw the amendment. I leave it to the House to decide how to deal with it. If hon. Members wish to support it, they know what to do.

Question put, That the amendment be made:—

The House divided: Ayes 65, Noes 188.

Division No. 269] **[8.19 pm**

AYES

Abse, Leo
Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashdown, Paddy
Barron, Kevin
Beith, A. J.
Bennett, A. *(Dent'n & Red'sh)*
Bidwell, Sydney
Blair, Anthony
Boyes, Roland
Brown, R. *(N'c'tle-u-Tyne N)*
Bruce, Malcolm
Buchan, Norman
Callaghan, Rt Hon J.
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Cowans, Harry
Craigen, J. M.
Davis, Terry *(B'ham, H'ge H'l)*
Dewar, Donald
Dixon, Donald
Dormand, Jack
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eastham, Ken
Fatchett, Derek
Fisher, Mark
Forrester, John
Golding, John
Gould, Bryan
Hamilton, James *(M'well N)*
Hawksley, Warren
Haynes, Frank
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Howells, Geraint
Johnston, Sir Russell
Kennedy, Charles
Kirkwood, Archy
Leighton, Ronald
Livsey, Richard
McDonald, Dr Oonagh
Marshall, David *(Shettleston)*
Maxton, John
Meadowcroft, Michael
Owen, Rt Hon Dr David
Parry, Robert
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Randall, Stuart
Rees, Rt Hon M. *(Leeds S)*
Ross, Stephen *(Isle of Wight)*
Sheerman, Barry
Skinner, Dennis
Steel, Rt Hon David
Strang, Gavin
Thompson, J. *(Wansbeck)*
Wainwright, R.
Wilson, Gordon
Wrigglesworth, Ian

Tellers for the Ayes
Dr. John Marek and
Mr. Austin Mitchell.

NOES

Adley, Robert
Alexander, Richard
Amess, David
Ancram, Michael
Aspinwall, Jack
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Benyon, William
Bevan, David Gilroy
Body, Richard
Boscawen, Hon Robert
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Clark, Sir W. *(Croydon S)*
Clegg, Sir Walter
Coombs, Simon
Cope, John
Corrie, John
Cranborne, Viscount
Currie, Mrs Edwina
Dover, Den
du Cann, Rt Hon Sir Edward
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Evennett, David
Fairbairn, Nicholas
Fallon, Michael
Fenner, Mrs Peggy
Fletcher, Alexander
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Fraser, Peter *(Angus East)*
Freeman, Roger
Gale, Roger
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Glyn, Dr Alan
Goodlad, Alastair
Gower, Sir Raymond
Grant, Sir Anthony
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Gummer, John Selwyn
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Havers, Rt Hon Sir Michael
Hayes, J.
Hayhoe, Rt Hon Barney
Heathcoat-Amory, David
Heseltine, Rt Hon Michael
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Howard, Michael
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Jessel, Toby
Jones, Robert *(W Herts)*
Joseph, Rt Hon Sir Keith
King, Roger *(B'ham N'field)*
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knox, David
Lang, Ian
Lawler, Geoffrey
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lewis, Sir Kenneth *(Stamf'd)*
Lilley, Peter
Lloyd, Ian *(Havant)*
Lord, Michael
McCurley, Mrs Anna
MacGregor, John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
Major, John
Mates, Michael
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Merchant, Piers
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Moore, John
Murphy, Christopher
Neale, Gerrard
Norris, Steven
Osborn, Sir John
Page, Richard *(Herts SW)*
Parris, Matthew
Pattie, Geoffrey
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Porter, Barry
Powley, John
Proctor, K. Harvey
Rees, Rt Hon Peter *(Dover)*
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rowe, Andrew
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Stern, Michael

Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stradling Thomas, J.
Sumberg, David
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, Hon William
Walden, George
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Wells, Sir John *(Maidstone)*
Whitney, Raymond
Wilkinson, John
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Archie Hamilton and
Mr. Michael Neubert.

Question accordingly negatived.

Schedule 3

AMENDMENTS OF ALCOHOLIC LIQUOR DUTIES ACT 1979

Amendment made: No. 58, in page 106, line 21, leave out 'be omitted' and insert

'cease to have effect on the coming into operation of regulations under section 71A of the Alcoholic Liquor Duties Act 1979.'. —*[Mr. Hayhoe.]*

Clause 13

TAX EVASION: CONDUCT INVOLVING DISHONESTY

8.30 pm

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I beg to move amendment No. 141, in page 9, line 33, leave out from 'conduct' to end of line 34 and insert 'is dishonest'.

Mr. Deputy Speaker (Mr. Harold Walker): It will be convenient also to take Government amendment No. 3.

Mr. Kirkwood: The amendment would result in clause 13 reading:

"(1) In any case where,—

(a) for the purpose of evading tax, a person does any act or omits to take any action, and

(b) his conduct is dishonest

he shall be liable, subject to subsections (4) and (5) below, to a penalty equal to the amount of tax evaded or, as the case may be, sought to be evaded, by his conduct."

As will be clear to those hon. Members who served on the Committee, clause 13 introduces a general anti-dishonesty offence which is punishable by a civil penalty equal to the tax evaded, although that can be reduced by half at the discretion of the Customs and Excise if the taxpayer co-operates. To commit the new civil offence of tax evasion, the taxpayer's conduct must be shown to involve an element of dishonesty as clause 13(1)*(b)* stands. In Committee it was recognised that the phrase "element of dishonesty" could be interpreted differently and that that could give rise to uncertainty.

The phrase "element of dishonesty" taken with the words

"(whether or not it is such as to give rise to criminal liability)"

seems designed to produce an offence which is wider in scope than the existing criminal offence under section 38 of the Value Added Tax Act 1983 and wider than the offence recommended by the Keith committee which envisaged that the new offence of civil fraud which is created in the Finance Bill would be defined as

"an act or omission with dishonest intent".

and that the decriminalising of the offence of fraud should mark a difference in investigatory techniques rather than a difference in the essential nature of the conduct. That provoked the Law Society, amongst others, to say:

"We recommend that, in view of the importance and objectives of this new civil offence, uncertainty over the scope of it should be removed by deleting the present wording of subclause (1)*(b)* and replacing it by: 'his conduct is dishonest'."

We fully recognise the need to expedite timeous VAT payments. We also recognise that the Government have made the improvements that were carefully worked out by the Keith committee. Those improvements which make a distinction between civil and criminal penalties are largely welcome.

The hon. Member for Beaconsfield (Mr. Smith) tabled a similar amendment in Committee which was not selected for debate. The Government seek to amend the clause in response to the discussions that took place in Committee, but I feel that amendment No. 141 is to be preferred because it is clearer and avoids any element of doubt. Amendment No. 141 which seeks to add the words "is dishonest" is different from the Government's proposal which suggests inserting the words "involves dishonesty". That may seem a small distinction, although amendment No. 141 seeks in addition to remove the words in the brackets, but I hope to be able to explain that there is a considerable difference.

The criminal test is whether the act, or omission, was done with the intention of evading tax. To a simple Scots criminal lawyer like myself, the test is an easy one. In Scots law terminology it involves an element of mens rea. If there is a wilful intention to avoid tax, there is a criminal offence. Using the Scots criminal law test, the act or omission is either dishonest or it is not. Before the Committee stage I could not for the life of me understand what an "element of dishonesty" could be. The Minister was asked by the hon. Member for Stretford (Mr. Lloyd) whether he would expand on that. I agree that some of these matters are complicated but on 16 May the Minister gave the definition as:

"a dishonest act involving a £1,000 evasion might be part of a £5,000 fraud for which the whole fraud of £5,000 was supported by documentary evidence or a general admission. In those circumstances, it would be reasonable on the civil standard"—

the new standard that has been adopted by the Government—

"of probability to accept that the offence was the evasion of £5,000, even though the precise evidence attached the dishonesty only to one part of that amount. Those involved might have left the country, and it might be impossible to gain the evidence from elsewhere."—[*Official Report, Standing Committee B*, 16 May 1985; c. 130.]

I have given that matter a great deal of thought, and I do not think that the Government's amendment is good enough. An element of doubt remains if the Bill talks about "involving dishonesty". That is ambiguous. If the Minister's explanation is right and in future the Customs and Excise will be able to catch much larger sums of money, although it can prove only a small part of the amount, and impose a civil penalty on the global amount, however big, that gives an unacceptable power to the commissioners.

That would create a bad precedent. We must bear in mind that we are not dealing with the criminal courts. We are dealing with an administrative branch of the law. The Government already have the additional benefit of the civil test of the burden of proof — on a balance of probabilities—as opposed to the criminal test—beyond

reasonable doubt. That should be more than enough to enable the Government to catch those people guilty of this new civil offence.

The changes are too draconian. They give far too much power to the commissioners. The clause will cause a great deal of uncertainty. There will be misinterpretation and problems will be caused.

I support the view taken by the Law Society and many other people in Committee and outside the House that the Government's amendment does not go far enough. I hope that the Minister will consider, even at this late stage, adopting the amendment in my name rather than the one he is proposing to move later on.

Sir William Clark: Mr. Deputy Speaker, may I speak to the following two amendments which you have been kind enough to say may be discussed with this one?

Mr. Deputy Speaker: I remind the hon. Gentleman that with amendment No. 141 we are discussing only Government amendment No. 3.

Mr. Tim Smith (Beaconsfield): We had a long debate on this matter in Committee. The words found to be objectionable were "an element of". The Government are proposing to remove those words and I therefore welcome the Government amendment.

Mr. Tony Blair (Sedgefield): It is difficult to see how far this debate is a semantic one and how far it is a real one and I appreciate the Government's difficulties. It is fair to say that most of the debate in the Standing Committee was about the words "an element of dishonesty". It was felt that the words "an element" brought a degree of confusion into the proceedings which was regrettable. The Minister said that he would look at it and he has done so and deleted those words. The difficulty, on reflection, and reading what he said in Standing Committee, is that there is some confusion in the mind of the Government as to exactly what they want the nature of this new civil fraud to be. The difficulty arises not just from the words "an element" but from the use of the word "involves".

The question is, does the conduct have to be dishonest or is it necessary only for a part of the conduct to be dishonest, even if the rest of the conduct in the particular circumstances of an offence is all right? That is a distinction which is almost impossible to draw. Further ambiguity is engendered by a misuse of the distinction between the test in criminal and civil law for the burden of proof. In criminal law, in order to prove a particular offence, it has to be shown beyond a reasonable doubt that someone acted with a dishonest intent. In civil law it is merely that on the balance of probabilities fraud or dishonesty is established. If that burden of proof is the problem and if the Government wish to say that the civil test applies and not the criminal test, which seems to follow from the nature of the offence that is being legislated, and they are attempting to distinguish between gradations of dishonesty within this clause, it confuses more than it elucidates.

The hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) asked whether the Government were saying that an evasion of VAT, say, of £5,000 should be caught in its entirety by clause 13, even though there was only dishonest conduct in relation to a fraction of that amount. That would be highly unsatisfactory, because either someone has behaved dishonestly in respect of an evasion of VAT or he has not. If there is any sum of money for which they are liable but they have not behaved dishonestly in relation to it, they should not be caught by clause 13. That is an unjustifiable distinction.

The Minister has very fairly thought about it and it would be wrong, given that we concentrated so much attention on the words "an element of dishonesty", to criticise him. If he wants to make it clear that a lesser burden of proof is being applied, then it could be done in a much less ambiguous way. The danger of leaving in the word "involves" is that it has the same connotation as an "element" because it may involve a certain amount of dishonesty, but one is not sure whether the entirety of the conduct needs to be dishonest. So the amendment does not really deal with the essential point made in Standing Committee. When introducing a new offence, it is right that people should know exactly where they stand. I ask the Minister to think again because there is a general view among lawyers, certainly outside the House, that there is a lack of clarity in clause 13 that could pose problems. It is much better that we deal with them as legislators rather than leave them to be dealt with by the courts.

8.45 pm

Mr. Hayhoe: I am grateful for the manner in which the amendment has been moved and the way in which the hon. Member for Sedgefield (Mr. Blair), speaking for the Opposition, has responded to it. There are real difficulties here because, as I understand it, not being a lawyer, we are moving into somewhat new ground on which there is much precedent in legislation. We are decriminalising a large number of offences concerning VAT and the whole House has welcomed that. We are replacing those criminal offences by a civil offence and the arguments and problems of changing from the burden of proof—which, as I understand it, for a criminal offence is that it is beyond reasonable doubt — towards that for a civil offence, which is the balance of probabilities, has caused problems for the draftsman and certainly also caused problems for those of us who are looking at this more as laymen.

I responded to points made in Committee about an element of dishonesty, saying that could imply that there was a very considerable amount of conduct in which there was just a tiny element of dishonesty and it would be unfair to roll up the whole thing together. I believe that the words "involves dishonesty" imply that it is running through the whole of these transactions and that the level of proof would be the balance of probability level rather than the beyond a reasonable doubt level. One of the reasons why this formulation of words appealed to me was that it was recommended by the VAT practitioners group. I do not wholly accept the arguments that it was putting forward but it, too, was attempting to find a formulation of words which would reflect what was in Keith's mind. Alas, he did not give us the benefit of a formulation of words to give legislative effect to what he was recommending.

Mr. Blair: This is a problem between a layman's way of looking at things and a lawyer's way of looking at them. The notion of civil fraud is a common law offence and the burden of proof will necessarily apply when it is deemed as a civil offence and not a criminal offence. Can I suggest that if the word "involves" is present simply to make it clear that there is a civil burden of proof that is what is needed? It probably is not needed but, if the Minister

[Mr. Blair]

wants to make it clear beyond any doubt, it is best to state it expressly rather than leave it as it is at present. This might go not to the burden of proof but to the actual quality of dishonesty, in other words, not proving the dishonesty but the actual quality of the dishonest act. That distinction is probably the correct one to make.

Mr. Hayhoe: I am in the position in which people sometimes find themselves when they take legal advice and where that advice is not wholly unanimous and there are differences of graduation. I suspect that what is happening to me tonight is that I am receiving from distinguished Opposition lawyers advice which is not entirely in accord with that which I have taken. I can assure the House that, having given the undertaking in Committee, I have tried to discharge it to the best of my ability.

The change proposed in amendment No. 3 will reflect the Government's intention that there should be a demonstration of sufficient dishonesty to satisfy a tribunal on the balance of probabilities that the whole conduct merited a civil penalty and that the Customs and Excise should apply that standard. I hope that the courts will not find any ambiguity in the approach that I am commending to the House. It would be necessary to have another look at this legislation if the results worked out that way in practice, and it is only right that one should do so.

I advise the House not to adopt the form of words proposed by the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) in his amendment No. 141. I hope that the House will agree to the change, which I suspect will be welcome even if it does not go as far as some would wish, set out in amendment No. 3.

Mr. J. Enoch Powell (South Down): It is obvious that the Minister will look again at this wording, but I hope that he will not wait until there is a case that obliges him or his successor to do so. I put a purely linguistic and not a legal point to him in that context. I suggest that the word "involves" was chosen in the original drafting because it fits with the words "an element". "Involves an element of" was a whole phrase and, by removing the words "an element of" in discharge of his undertaking to the Committee the Minister has not removed the essential difficulty to which all the argument was directed. I hope that he will take that into account when he looks at this.

Mr. Kirkwood: I accept what the Minister says. We are on difficult ground, and I hope that the hon. Gentleman can assure me that he will keep a careful and close watch and, if the courts get into a fankle about this, he will take quick and urgent action to remedy the distress that it will cause. I fear that there is a real prospect that there will be difficulties. However, if the Minister can give me that assurance, I shall be happy to withdraw my amendment.

Mr. Hayhoe: I am glad to give that assurance. This is difficult ground, and I am grateful to the right hon. Member for South Down (Mr. Powell) for his comments. I should like to consider with my advisers what has been said. I somehow suspect that this is not entirely the end of the matter, but I hope that at least the House will think that I have sought to be helpful and to move in the direction that the Committee wished.

Mr. Kirkwood: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendments made, No. 3, in page 9, line 33, leave out 'an element of.'

No. 4, in page 9, line 35, leave out '(5)' and insert '(7)'. *—[Mr. Hayhoe.]*

Mr. Kirkwood: I beg to move amendment No. 142, in page 10, line 20, leave out from 'amount' to 'and' in line 21 and insert 'as appears appropriate'.

Mr. Deputy Speaker: With this it will be convenient to consider amendment No. 143, in page 10, line 20, leave out 'not less than half' and insert 'less than'.

Amendment No. 144, in clause 14, page 12, line 28, leave out 'if' and insert

'in the circumstances outlined in *(a)* and *(b)* of this subsection but shall in other circumstances give rise to liability to such a penalty not exceeding the penalty under subsection (1) above as the Commissioners or on appeal by the person concerned a value-added tax tribunal having regard to all the circumstances of the case think fit'.

Amendment No. 145, in clause 15, page 14, line 11, at end insert

'but shall if he does not so satisfy either of them give rise to such penalty not exceeding the amount of the penalty specified in subsection (1) above as the Commissioners or on appeal by the person concerned a value-added tax tribunal having regard to all the circumstances of the case think fit'.

Amendment No. 146, in clause 16, page 15, line 19, at end insert

'but shall if he does not so satisfy either of them be liable to such penalty not exceeding the amount of the penalty specified under subsection (3) above as the Commissioners or on appeal by the person concerned a value-added tax tribunal having regard to all the circumstances of the case think fit'.

Amendment No. 147, in clause 17, page 17, line 27, at end insert

'but shall if he does not so satisfy either of them give rise to such penalty not exceeding the amount of the penalty specified under subsection (1) or (2) above as the Commissioners or on appeal by the person concerned a value-added tax tribunal having regard to all the circumstances of the case think fit'.

Mr. Kirkwood: Clause 15, which deals with VAT criminal penalties, was rehearsed at some length in Committee. The burden of the representations that we received both before the Committee stage and since convinced me, as it did the Association of Certified Accountants, the Law Society, the Institute of Directors and many others, that it was a mistake to take away the power of mitigation that the Bill proposes.

Clause 13 reduces, although it does not take away, the discretion to mitigate the penalty. Therefore, we should have more confidence in the tribunals. I should be happy to leave them to make judgments about individual cases in a better way than we can, as legislators, dealing with a matter in principle. On that basis, the words "as appear appropriate" would allow for much more flexibility. I would be happier if we adopted that approach rather than the approach of the Bill as it stands.

Sir William Clark: Mr. Speaker has selected amendments Nos. 143 to 147 in this group. They are similar to the amendment tabled by the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood). The one fear outside the House is that it looked as if the VAT tribunal powers would be treated differently from those of the special and general commissioners of the Inland Revenue. I know that the Government have gone some way to mitigating the penalties that at one time were fixed. However, I should have thought that there is a case for

saying that, now that there is the right of appeal to a tribunal, a tribunal could, in its wisdom and judgment, have the power to mitigate the penalty from zero to the maximum. This is what my hon. Friend the Member for Tatton (Mr. Hamilton) and I are trying to deal with in the amendments.

I hope that my hon. Friend the Minister will look at this. If he is not prepared to accept any of the amendments in this group, will he give an undertaking that he will look at the matter by the next Budget, with the experience that we have had from now until then? If it is found that mitigation from zero to maximum should be allowed and that there should be some change in the appeal procedure, I trust that he will make these changes.

Mr. Neil Hamilton (Tatton): When we debated these matters in Committee I made it clear that I thought that the Government were mistaken in withdrawing clause 23, which gave the power to the commissioners to mitigate penalties and interest. I thought that the Government took the wrong line. Rather than taking away the right to mitigate altogether, they should have accepted Conservative amendments to extend that power to the tribunals.

At the moment, we have an all-or-nothing solution. One is either subject to no penalty or the maximum penalties. This has never been the case for income tax and many people are clearly worried, as my hon. Friend the Member for Croydon, South (Sir W. Clark) has said, that next year, when the Keith committee's proposals on the enforcement powers of the Inland Revenue are put into legislative form, the power of mitigation will be taken away from it as well. That would be wholly unacceptable and would meet with the united opposition of all the business representative organisations. It would be unacceptable to the taxpayer as well, whether an individual or in the corporate or business sector.

I warn my right hon. and hon. Friends in the Treasury that if the Government are thinking of extending this line of thinking into the Inland Revenue sector they will be in for a great deal of opposition. Many people will feel a great sense of injustice that they will not be able to place themselves in between the two extremes of no penalty or maximum penalty as a result of the Bill. VAT is not a popular tax, particularly with small trades, because it imposes an enormous administrative burden. Whether justified or not, there is a widespread feeling that the Customs and Excise, because of its long history of involvement in smuggling and offences of that kind, has far too heavy a hand in dealing with those who have to administer the tax. Here is another imposition on them.

I regret that the Government have not seen fit to take the middle way of giving power to the commissioners and the tribunal to mitigate penalties. This will make the tax much more unpopular and the Government will forfeit a great deal of good will that needs to be fostered. I hope my right hon. Friend will heed the words that have been spoken not only by the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) but by many Conservative Members both upstairs in Committee and on the Floor of the House. I hope the Government will think again about this matter.

9 pm

Mr. Blair: In the Standing Committee, the Opposition tabled a new clause specifically giving such a power of mitigation. It was a pity, when Conservative Members feel so strongly about it now, that they did not support us. That clause introduced a specific power of mitigation and would have tidied up the detritus of clause 23.

Mr. Neil Hamilton: Rubbish.

Mr. Blair: The hon. Gentleman says rubbish, but a specific clause was introduced providing a power of partial mitigation and he did not support it.

The amendment by the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) deals specifically with clause 13(4). Subsection (4) is not, strictly speaking, a mitigation clause. It allows the commissioners or, on appeal, a VAT tribunal, to reduce the penalty by up to 50 per cent. as a reward for co-operation. It applies only in circumstances of co-operation and is a direct incentive to people to co-operate. The arguments that apply in relation to that special incentive do not necessarily apply to the general case for mitigation. I have read the proceedings of the Standing Committee because I was not present for that part of the discussion. The penalty should not be reduced to nothing in circumstances where someone has merely co-operated with the commissioners. If what was being given was a real power of mitigation under which any circumstance could be taken into account, there would be more reason for allowing that general power.

Amendments were moved in the names of the hon. Member for Croydon, South (Sir W. Clark) and the hon. Member for Tatton (Mr. Hamilton). We had a very full debate upstairs in Committee as to whether or not there should be a power of mitigation. I made clear at that time that there should be a power of mitigation because there are graduations of offences. When legislation of a fairly tough nature is being introduced, it is wrong for no leeway to mitigate to be given to the commissioners or the VAT tribunal, not just when someone is co-operating, but in cases of great hardship. Without repeating them fully, I reiterate the arguments made in the Committee. I hope the Minister will look at the matter after some months of experience of these provisions so that we can see whether or not the injustice some of us fear has come about.

Mr. Hayhoe: The matters being debated in this series of amendments were given a good airing in our proceedings upstairs in Committee. As has just been said, we have had a re-run of the arguments during the short debate on new clause 32. I could re-state the arguments I then deployed, but that would not be helpful. I suspect that most hon. Members in the Chamber heard me say them in the first instance and might not be pleased if I were to repeat them at length.

To make the changes proposed would strike at the heart of the Keith philosophy. My hon. Friend the Member for Tatton (Mr. Hamilton) was less than fair in his comments, though I accept that, right from the start on one of his earliest interventions in the Committee, he was arguing in favour of a power to lie both with the commissioners and the VAT tribunal to vary the amounts of penalties imposed. The philosophy of Keith was the certainty of fixed penalties. The Government have introduced—and this was not recommended by Keith—the whole concept of a reasonable excuse. I note the comment made in Committee, that to say the taxpayer had to exercise due diligence and have a reasonable excuse might be too stringent a test. Therefore, I propose that "due diligence" should be dropped.

[Mr. Hayhoe]

Having a resonable excuse is a very marked change in favour of the taxpayer compared with the Keith recommendations on which, as the House knows, there were wide consultations in the many months following publication of his report. Equally, there is a reserve power, which I have explained, still resting with the commissioners to exercise if there are grounds of compassion or something similar that would not be covered by "reasonable excuse". The commissioners will have that power to remit on an intermittent basis penalties that might be imposed.

The change that has been made of introducing the reasonable excuse defence to be argued both to the commissioners—who I hope in the main will deal with the matter so that it does not need to go any further—and if necessary to the tribunal, the raising of the trigger points quite significantly compared with those recommended by Keith, the residual mitigation powers which Customs and Excise has and which have been endorsed by the Public Accounts Committee quite recently, and the way in which they are exercised, all add up to a significant change in favour of the rights of the taxpayer and safeguard him against the original proposals made by Keith. In those circumstances, I commend the provisions to the House, and I hope that the House will not seek to introduce the amendment.

I was asked to keep the matter under review. Of course, we shall do so. However, the next Budget is too soon for us to have had much experience. The default surcharge in clause 19 does not come into effect until October 1986. The serious misdeclaration provision in clause 14 does not come into effect until 1988. We shall need a little longer to get some feel and experience of this change, but I gladly undertake that matters will be kept under review. It is important to remember that, even if a Minister did not give such an undertaking, individual Members of the House would keep the matter under review and find ways of raising it if they saw elements of injustice occurring.

I hope that the amendment will not be pressed to a Division. Let us see how we get on with the new regime being introduced in these clauses.

Mr. Kirkwood: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 14

SERIOUS MISDECLARATION OR NEGLECT RESULTING IN UNDERSTATEMENTS OR OVERCLAIMS

Mr. Freeman: I beg to move amendment No. 161, in page 11, line 36, leave out

'£3,000 and 1½ per cent.'

and insert

'£10,000 and 5 per cent.'.

I sense that there is broad support on both sides of the House for the amendment, and I am grateful to the Minister for the courteous and encouraging way in which he has considered our discussions about its terms. The purpose of the amendment is to raise the minimum error threshold before the penalties of clause 14 apply.

It may help the House if I explain briefly what the clause provides at present and what the amendment would substitute for it, because the language in subsection (2)*(a)*(i) and (ii) is difficult to follow.

As the Bill stands, if the true amount of tax due in a quarter is between nil and £10,000, the error threshold is 30 per cent., that is from nil to £3,000. If the error is greater than that, the automatic penalties provided in clause 14 will come into play, that is the 30 per cent. penalty and the recovery of the tax. If the true amount of tax due is between £10,000 and £200,000, the error threshold is £3,000, and if it is above £200,000 the 1·5 per cent. provision comes into play. Therefore, the error threshold starts at £3,000 and rises to 1·5 per cent. of the true amount of tax due.

Under the amendment, if the true amount of tax due is between nil and £33,333, the error threshold is 30 per cent. of the true amount of tax due. If the tax due is between £33,333 and £200,000, the error threshold is at £10,000, and if the tax due is above £200,000 the 5 per cent. provision comes into effect.

The practical effects of that are that the error thresholds are increased for all companies where the true amount of tax due in any quarter is greater than £10,000. That is equivalent to £40,000 per annum. The amendment would benefit companies where the true amount of tax due is greater than that. The benefit is not confined purely to medium-sized and large companies, but to what many involved in business and industry would regard as small companies. The Confederation of British Industry, the Institute of Taxation and many companies throughout the country will welcome the amendment, and I commend it to the House.

Mr. Hayhoe: I am happy to say that the Government accept the amendment, and I join my hon. Friend the Member for Kettering (Mr. Freeman) in commending it to the House.

Amendment agreed to.

Mr. Hayhoe: I beg to move amendment No. 5, in page 11, line 42, after 'periods', insert

"beginning after the day appointed under subsection (8) below'.

The purpose of the amendment is to safeguard taxpayers by ensuring that there can be no possibility of retrospection, either directly or through the operation of the totting up test in respect of the civil penalties and serious misdeclaration under clause 14, breaches of regulatory provisions under clause 17, and of interest on tax under clause 18. The amendment implements assurances which I gave to the Committee, and I commend it to the House.

Mr. Blair: As I understand it, the amendment will prevent retrospective totting up, and that is its sole effect.

Mr. Hayhoe: That is my understanding. The amendment is in pursuance of my undertaking to the Committee when my hon. Friend the Member for Tatton (Mr. Hamilton) raised some points.

Amendment agreed to.

Mr. Hayhoe: I beg to move amendment No. 137, in page 12, line 20, at end insert

'but if for any period there is an understatement of credit for input tax or an overstatement of output tax, allowance shall be made for that error in determining the tax for that period which would have been so lost.'.

My hon. Friend the Member for Bristol, North-West (Mr. Stern) is unable to be present this evening. As I was going to accept the amendment, I gladly move it and accept it in the same breath.

Mr. Blair: I wish to ensure that I understand the effect of the amendment. Will the Minister confirm that if a trader has understated both the input and output tax—in other words, he is understating the volume of the business—and if he is brought up for one understatement, he will be given credit for the other?

9.15 pm

Mr. Hayhoe: It is the net position that will be dealt with. It seemed reasonable and fair.

Amendment agreed to.

Amendments made: No. 6, in page 12, line 28, after 'section', insert

'nor be taken into account under subsection (2)*(b)* above'.

No. 7, in page 12, line 29, leave out from 'person' to end of line and insert 'concerned'.—*[Mr. Hayhoe.]*

Mr. Hayhoe: I beg to move amendment No. 8, in page 12, line 31, leave out

'that he exercised all due diligence and'.

Mr. Speaker: With this it will be convenient to take the following amendments:

Government amendments Nos. 10, 11, 14, 17 and 27.

Amendment No. 175, in clause 33, page 34, line 45 at end insert

'save where the insufficiency of funds arises directly from the fact that the person has not received the payment from his customer in respect of which value-added tax is due and has not been paid.'

and Government amendment No. 28.

Mr. Hayhoe: The amendments give effect to the undertakings that I gave in Committee to reflect upon the need for the provision concerning "all due diligence". Upon reflection, and taking account of the arguments put from both sides of the Committee, I am now bringing forward these amendments, which I hope will be welcomed and supported by the whole House.

Mr. Blair: I have no difficulty with the Government amendments, but amendment No. 175 takes us in a slightly different but important direction.

At present, under clause 33, if a trader attempted to provide a reasonable excuse for any conduct that was unlawful under the VAT provisions, the effect of subsection (2) of that clause would be to prevent an insufficiency of funds to pay any tax due being deemed by the commissioners or the VAT tribunal to be a reasonable excuse; in other words, the definition of "reasonable excuse" is drawn in such a way as to exclude the situation in which someone cannot pay because of an insufficiency of funds.

Amendment No. 175 would add, at the end of subsection (2), the words

"save where the insufficiency of funds arises directly from the fact that the person has not received the payment from his customer in respect of which value-added tax is due and has not been paid".

It is important to note that the amendment does not relieve the trader or person concerned of the obligation to pay the VAT. Yesterday, on one of the new clauses, the discussion related to whether, in circumstances where a customer had not paid the VAT to the trader or taxpayer, the taxpayer could then count that as a bad debt. The Government resisted that amendment. I could see why they did so, because it would have relieved the trader altogether of the obligation to pay.

Our amendment does not relieve the person concerned of the obligation to pay; it simply relieves that person, if the commissioners or the VAT tribunal so desire, of the harsh system of automatic penalties and the different rates of interest in circumstances where that non-payment of VAT has genuinely been caused through no fault of the trader. In other words, it gives a power to the Customs and Excise or the VAT tribunal to take into account insufficiency of funds in carefully prescribed circumstances when deciding whether there is a reasonable excuse for non-compliance.

That does not mean that the commissioners or the VAT tribunal would have to take into account insufficiency of funds arising in those circumstances—they would not have to describe that as a reasonable excuse—but it does not exclude from the definition of reasonable excuse the circumstances in which an inability to pay arises directly from the customer not paying the trader and the trader having sought from him VAT in respect of that invoice.

The prescribed circumstances are very tight. The insufficiency of funds must arise directly from non-payment by the customer. We are therefore discussing a fairly limited range of situations and a case in which a trader may issue an invoice for a large amount. By so doing, he is liable for VAT upon it. If the customer refuses or fails to pay, the VAT trader may be in difficulties in meeting the VAT liability because the customer has not honoured the invoice. The insufficiency of funds arises directly from the conjunction of an invoice being issued, a liability to pay, and the customer not meeting that liability.

With great respect, I suggest that such a narrowly drawn discretion as contained in the amendment is in the interests of equity. We know that there are small businesses which can have major cash flow problems as a result of VAT liabilities. We know that, particularly in certain trades, it can be difficult to secure payment of invoices from customers. It seems unfair that those cash problems can result in the serious VAT penalties under these clauses in circumstances in which, through no fault of the trader, the customer refuses to pay the trader.

I repeat that this does not relieve a trader of the obligation to pay VAT; it simply relieves, or gives the commissioners of the VAT tribunal discretion to relieve, the harsh penalties prescribed by these provisions of the Bill in circumstances where the problems arise directly from the failure of a customer to pay.

The Government boast of their record on small businesses. Of all the VAT subjects which we will discuss tonight, I think that none is closer to the heart of small businesses than the difficulties which can arise in the circumstances I have described.

I ask the Minister to consider carefully whether he can accept the amendment. It would allow for fairness in the treatment of businesses and traders, but it would not relieve people of the basic obligation to pay. It is a way of easing the burden of these penalties in circumstances in which, through no fault of the trader, a great financial difficulty can occur.

[Mr. Blair]

I appeal to the Minister, in terms of a fairly tightly drawn clause, to consider whether he can allow the amendment, which I believe would greatly increase the justice of these provisions.

Mr. Tim Smith: This group of Government amendments will be widely welcomed, I think, because the Bill as drafted would have required the taxpayer to meet a double test to establish a defence: first, a reasonable excuse and, secondly, due diligence. I think that that would have caused confusion. Therefore, I am grateful to my right hon. Friend the Minister for having introduced what I think will be a valuable simplification.

My hon. Friend may recall that I sent him a redraft of some of these clauses prepared by Mr. St. John Price, a VAT practitioner. Mr. St. John Price felt, as I think many people do, that some provisions of the Bill are still extremely complicated and difficult to follow. Can my hon. Friend tell me what has happened to those proposals?

Mr. Hayhoe: To reply first to my hon. Friend, I have a letter in draft in response to my hon. Friend. Perhaps I should not seek to do more than give him a soupcon of an hors d'oeuvre by saying that it is not as simple as his constituent has led him to believe or, indeed, as I said in Committee, as simple as I dearly wish it could have been. I will be writing to him. With his permission, if other hon. Members wish to have copies of that correspondence, I would be happy to co-operate. I am delighted that the Government amendments removing the due diligence provision have been generally welcomed.

The hon. Member for Sedgefield (Mr. Blair) made various points about amendment No. 175. Clause 33(2) provides that

"an insufficiency of funds to pay any tax due is not a reasonable excuse."

It limits the circumstances in which the benefit of this defence may be claimed. The purpose of the amendment is to remove this limitation where the taxpayer can show that an insufficiency of funds results directly from non-payment by his customer and thus to permit more taxpayers to avoid the penalties, in particular the default surcharge.

The hon. Gentleman made out a persuasive case on the basis of the hard cases that he used as a foundation, of which all right hon. and hon. Members are aware, because of our contact with constituents. However, like the hoped-for simplicity of the drafting of these clauses, it is not quite so easy. The Opposition amendment would begin to undermine the basic concept of VAT: that tax becomes due at the time of supply or in the issue of the tax invoice, subject to its being issued reasonably promptly. These matters were referred to yesterday in our debate on new clause 11.

The amendment effectively changes the tax point to the date of payment for the supply, since it would allow non-payment by customers to be the basis of a perpetual claim to the reasonable excuse defence against all sanctions for non-payment of the VAT in question. Under the guise of helping the hard cases, for which there is great sympathy, it could drive a coach and horses through the surcharge arrangements and would open the floodgates to representations about and appeals against surcharge of varying degrees of sincerity. To expect Customs and Excise or, on appeal, the VAT tribunal to distinguish the small minority of cases of genuine difficulty without letting in larger numbers of less deserving cases, thus eroding the revenue benefits of the surcharge, would be almost impossible.

We have already established the unfairness to the complying trader of allowing the non-complying trader effectively to have an interest-free loan from the taxpayer by withholding and hanging on to the tax. It is not just the revenue which would be at a disadvantage. His local and honest neighbour who is trading properly and paying his taxes would be equally at a disadvantage.

Although I accept the honourable intentions behind the amendment, it would be a move towards providing a total VAT bad debt relief by the back door. These matters were considered in the Committee debate to which my right hon. and learned Friend the Chief Secretary to the Treasury replied. We have made a significant move on bad debt relief by linking it to the provisions of the Insolvency Bill, but we have not gone as far as many hon. Members wish in providing the complete VAT bad debt relief that this amendment would provide.

Furthermore, it would be a vehicle for abuse. It would make it possible for one taxpayer to supply an associate, perhaps even companies in common ownership, who does not pay for the supplies but claims the input tax. The input tax can be reclaimed on the basis of the invoice by companies who do not need to have made the payment. That is the other side of the coin to which I referred in our debates on clause 11 yesterday. The possibility of fraud and abuse would be opened up if it were possible for the input tax to be claimed back. Inter-associate debts could be run up with impunity, no output VAT would be accounted for under the Opposition's dispensation, but the input tax would be paid by the Customs and Excise, to the detriment of the Revenue.

I accept that the intention of the hon. Member for Sedgefield is to meet the hard cases that we all know about, but I hope that I have persuaded him that his amendment would go a long way beyond that. We may return to the general matters at a later date but not, I suspect, tonight.

9.30 pm

Mr. Blair: By leave of the House, I express my gratitude to the Minister of State, who made a good and persuasive case, though I wonder whether the results of our amendment would be as bad as he makes out.

The debate has shown the need for flexibility in the system. That need runs through the mitigation arguments and this debate.

Amendment agreed to.

Amendment made: No. 9, in page 12, line 35, leave out from 'person' to 'furnished' in line 36 and insert 'concerned'.—*[Mr. Hayhoe.]*

Clause 15

FAILURES TO NOTIFY AND UNAUTHORISED ISSUE OF INVOICES

Amendment made: No. 10, in page 14, line 10, leave out

'that he exercised all due diligence and'.—*[Mr. Hayhoe.]*

Clause 16

BREACHES OF WALKING POSSESSION AGREEMENTS

Amendment made: No. 11, in page 15, line 18, leave out

'that he exercised due diligence and'.—*[Mr. Hayhoe.]*

Clause 17

BREACHES OF REGULATORY PROVISIONS

Amendments made: No. 12, in page 15, line 30, after '(10)', insert 'and section 21(6)'.

No. 13, in page 16, line 12, at end insert—

'*(aa)* a previous failure to comply with any such requirement shall be disregarded if it occurred before the passing of this Act.'.

No. 14, in page 17, line 23, leave out

'that he exercised all due diligence and'.—*[Mr. Hayhoe.]*

Clause 18

INTEREST ON TAX ETC. RECOVERED OR RECOVERABLE BY ASSESSMENT

Amendment made: No. 15, in page 20, line 11, at end add

'and any reference in this section to a prescribed accounting period is a reference to a period which begins on or after the day so appointed'.—*[Mr. Hayhoe.]*

Clause 19

THE DEFAULT SURCHARGE

Amendments made: No. 16, in page 20, line 37, leave out from 'If' to 'an' in line 39 and insert

'a surcharge liability notice is served by reason of default in respect of two prescribed accounting periods and the second of those periods ends at or before the expiry of'.

No. 17, in page 21, line 34, leave out from beginning to end of line 41 and insert—

'(a) the return or, as the case may be, the tax shown on the return was despatched at such a time and in such a manner that it was reasonable to expect that it would be received by the Commissioners within the appropriate time limits, or

(b) there is a reasonable excuse for the return or tax not having been so despatched'.

No. 18, in page 21, line 42, leave out from 'and' to end of line 43 and insert

'for the purposes of the preceding provisions of this section he shall be treated as not having been in default in respect of the prescribed accounting period in question (and, accordingly, any surcharge liability notice the service of which depended upon that default shall be deemed not to have been served)'.—*[Mr. Hayhoe.]*

Clause 20

REPAYMENT SUPPLEMENT IN RESPECT OF CERTAIN DELAYED PAYMENTS

Mr. Neil Hamilton: I beg to move amendment No. 150, in page 22 leave out lines 35 and 36 and insert—

'(c) repayment is not made.'.

Clause 20 provides that where a delay is involved in the repayment of VAT to a registered trader, a repayment supplement shall be paid in addition to the sum owed. There is a de minimis provision to cut out entitlement to the supplement where there is only a short delay. The period chosen is 30 days. When the 30-day period has elapsed, the registered trader becomes entitled to his supplement.

There is a deficiency in the clause that would be remedied by my amendment. The clause provides that the commissioners should not repay VAT and pay the supplement, but should merely issue a written instruction for the repayment. That will normally be sufficient, but there have been strikes involving Customs and Excise employees and if they are repeated in future an order for repayment may be made, but no cheque might be issued to the taxpayer.

If that happened, the taxpayer would suffer the loss of the interest that he would otherwise have been able to gain on the money repaid to him. It would be unfair if that extra cost were imposed on taxpayers and I hope that my right hon. and learned Friend the Chief Secretary will accept the amendment or at least think about the matter and return to it next year.

The Chief Secretary to the Treasury (Mr. Peter Rees): My hon. Friend the Member for Tatton (Mr. Hamilton) moved his amendment with characteristic lucidity and brevity. He discussed the matter in Committee so I am aware of and understand his concern. We have thought long and hard about his arguments in Committee, but on reflection we are still not able to meet the point for practical reasons.

The Customs and Excise deal with about 50,000 claims a week, most of which are dealt with within seven days. My hon. Friend will be among the first to admit that the system works smoothly and that delays do not usually occur. My hon. Friend mentioned postal strikes and the computer strike six years ago.

The system is clear cut. The Customs and Excise is able to say with precision when the period has expired because that is when the instruction is given. My hon. Friend will appreciate that sometimes it will not be able to check. During a postal delay it will have to depend upon the records of the recipient or the registered trader. It will be in his hands.

My hon. Friend might argue that if there is inconvenience it should be borne by the Administration rather than by the taxpayer. However, I hope that he and the House will bear in mind that the repayment supplement is generous. We are talking about a 5 per cent. supplement. It is not even calculated on a per annum basis. It is difficult to estimate the cost of my hon. Friend's amendment, but it might cost as much as £1 million a year.

I recognise my hon. Friend's anxiety, but I hope that he and the House will be impressed by the practical limitations.

We are moving into new territory. The Keith committee did not recommend an amendment such as that proposed by my hon. Friend, but we shall keep the matter under review. If hardship is caused, we shall examine the matter again.

My hon. Friend has done the House a service by underlining the problem. I hope that he will feel that justice has been done and will leave the matter where it is.

Mr. Neil Hamilton: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment made: No. 19, in page 22, line 44, leave out '£10' and insert '£100'.—*[Mr. Peter Rees.]*

Clause 21

ASSESSMENT OF AMOUNTS DUE BY WAY OF PENALTY, INTEREST OR SURCHARGE

Amendment made: No. 20, in page 24, line 18, leave out from 'be' to end of line 19 and insert

'for which entitlement to a payment under section 14(5) of the principal Act was overstated'.—*[Mr. Hayhoe.]*

Clause 22

ASSESSMENTS: TIME LIMITS AND SUPPLEMENTARY ASSESSMENTS

Mr. Hayhoe: I beg to move amendment No. 21, in page 26, line 9, leave out from 'if' to end of line 10 and insert 'tax has'.

Mr. Speaker: With this we may discuss Government amendment No. 22.

Mr. Hayhoe: The amendment honours assurances that I gave in Committee during discussions on amendment No. 118 to my hon. Friend the Member for Tatton (Mr. Hamilton).

Amendment agreed to.

Amendment made: No. 22, in page 26, line 24, leave out paragraph *(b)* and insert—

'*(b)* if the circumstances are as set out in subsection (4) above, the modification of subsection (1) above contained in that subsection shall not apply but any assessment which (from the point of view of time limits) could have been made immediately after the death may be made at any time within three years after it.'.—*[Mr. Hayhoe.]*

Clause 24

AMENDMENTS OF SECTION 40 OF THE PRINCIPAL ACT

Amendment made: No. 23, in page 27, line 22, leave out

'(disregarding any mitigation by the Commissioners)'.—*[Mr. Hayhoe.]*

Clause 29

ENFORCEMENT OF CERTAIN DECISIONS OF TRIBUNAL

Mr. Hayhoe: I beg to move amendment No. 153, in page 31, line 29, at end insert

'(5) Any reference in this section to a decision of a value added tax tribunal includes a reference to an order (however described) made by a tribunal for giving effect to a decision.'.

This is a technical amendment concerning the administration of the VAT tribunals and the way in which they promulgate brief orders of their decisions which I understand will be to the benefit of all concerned. I hope that the House will support it.

Amendment agreed to.

Clause 31

INSOLVENCY

Amendment made: No. 24, in page 32, line 8, leave out 'made' and insert 'in force.'—*[Mr. Hayhoe.]*

Clause 32

REFUND OF TAX IN CASES OF BAD DEBTS

Mr. J. Enoch Powell: I beg to move amendment No. 25, in page 33, line 17, leave out 'in Great Britain'.

Clause 32 deals with relief for VAT in case of bad debts, and subsection (3) defines insolvency for the purposes of that VAT relief. There are two alternative headings of the definition in paragraphs *(a)* and *(b)*. An attentive reader—or, in the case of Northern Ireland, even an unattentive reader—would notice that, whereas definition *(a)* of liquidation relates to the United Kingdom and the Isle of Man, definition *(b)* relates only to Great Britain. That throws up the question whether the relief from VAT in case of a bad debt that is provided by subsection (3)*(b)* is not to be available in the case of a company in Northern Ireland and a claim for the repayment of VAT arising out of transactions with that company.

My hon. Friends and I would have been doing less than our duty had we not drawn attention to an apparent inequity. Indeed, a number of constituents have written to us expressing their anxiety that this relief is apparently to be denied in the Province.

Seeing it to be so blatant, however, and following the general proposition that there is usually some explanation for everything, I communicated with the Financial Secretary to the Treasury and relied upon the rules of the ex-FST club, only to receive, to my delight, a lengthy and helpful reply from the Minister of State. If I understand it correctly, the position roughly is that the circumstances defined in paragraph *(b)*—which is confined to Great Britain—arise under the provisions of the Insolvency Bill, which has not yet received Royal Assent. Well and good so far! However, the relevant provisions of the Insolvency Bill do not apply to Northern Ireland. Consequently, until an Order in Council is made which applies those provisions to Northern Ireland, there is nothing upon which the relief provided by this paragraph can bite for a company in Northern Ireland.

However, I am not entirely content to leave it with the right hon. Gentleman's concluding assurance:

"In the meanwhile . . . VAT bad debt relief is still available in Northern Ireland where a company enters into a compulsory or creditors' voluntary liquidation."

It is quite clear that there are circumstances in which relief will be provided in other parts of the United Kingdom which will not be available in Northern Ireland until the corresponding Northern Ireland legislation is made.

I have two complaints on that score. The first is one with which the House in its midnight hours has become very familiar—the complaint of my hon. Friends and myself that for no sufficient reason the law is made in the Province not by Act of Parliament but by Order in Council. That is a delightful example of the difficulties and injustices that we get into when we legislate by different methods for different parts of the United Kingdom.

Those difficulties and injustices would not be so great if the different methods of legislation were simultaneously applied in both parts of the kingdom. But in this case it is quite clear that there is to be a time lapse before the legislation comes into effect. I understand that it will come into effect in Great Britain early next year, but we do not yet have a date on which the legislation, for which proposals for a draft Order in Council have not yet been

made, will come into effect in Northern Ireland. There is, therefore, a gap of injustice between those concerned in Northern Ireland and those relieved in the rest of the United Kingdom.

9.45 pm

The Treasury is the last Department of State that I would hold guilty of the current absurdity of legislation in Northern Ireland by Order in Council. To find the culprits in that respect, one must look to other Departments of State. But I have a friendly and helpful hint to offer to the Treasury. It is that, in its endless pursuit of savings of public expenditure, it would find a rich field if it proceeded to eliminate the duplication of effort, staff and work—not only in this House but elsewhere in the public service—caused by the two concurrent forms of legislation for Great Britain and Northern Ireland.

That is a good tip for the Minister of State, for which I hope he and his Department will be duly grateful—although, when I offered it to an earlier Minister at the Treasury, at a less advanced stage of political affairs in Northern Ireland, though gratefully received, it was by no means acted upon.

There is something, however, that the Minister of State could do which would be of practical help in existing circumstances, and I am sorry that the proposition I have to make is not one that I had time to put him in advance of the debate. I shall therefore understand if he responds to my suggestion simply by undertaking to examine it. That is the most in the circumstances that I could expect.

It is admitted that there will be a gap of time between the availability of this relief in Northern Ireland and its availability in the rest of the United Kingdom. My suggestion is that the Government could undertake that, by concession, the same relief will be afforded in Northern Ireland during that interval as will be available in Great Britain and will, in due course, be available statutorily in Northern Ireland.

I hope that I am not asking something which is too libidinous from the Customs and Excise by suggesting that there should be an extra-statutory concession in this respect. After all, we have the Government's assurance that legislation in these precise terms is intended. It seems only reasonable, that being so and there being an inequitable gap between the application in two parts of the kingdom, that the inequity should be removed by extra-statutory action. I hope that the Minister will undertake to consider benevolently the suggestion that I have made.

Mr. James Molyneaux (Lagan Valley): As my right hon. Friend the Member for South Down (Mr. Powell) rightly said, this is a clear and even dramatic example of the disadvantage suffered by Northern Ireland under the system which is more accurately called colonial rule than direct rule.

I shall give an example because it is important that the Treasury should understand the whole iniquity of that which we suffer. That is the example of the measure that was processed through the House to remedy the defects in Orlit houses. On the day it was announced, I sought an assurance from the Minister for Housing and Construction that Northern Ireland would receive the benefits simultaneously with the rest of the United Kingdom. The Minister expressed the hope that there would be—he was in favour of—simultaneous application, but, lo and behold, when the rats got at it, we were told that that was not possible and that we should need lengthy discussions on the same topic dealing with the same problem. It was nearly two years before the Order in Council dealing with the same problem came before the House.

Only last week Her Majesty's Government and Her Majesty's Opposition showed clearly that they were at least willing to consider the possibility of radical change to that unacceptable system. My right hon. Friend the Member for South Down has properly shown that, when the Insolvency Bill receives Royal Assent, Northern Ireland will not automatically benefit. We shall have the same charade once again. We shall be told that the sacred Stormont statute book must be thumbed over until the powers that be satisfy themselves that no dot or comma has been accidentally omitted. After a period of nonsensical consultations—they are nonsensical, considering that all citizens of the United Kingdom have an opportunity to comment on legislation before the House—and possibly 18 months to two years after the Insolvency Bill receives Royal Assent, we shall be privileged to debate in the middle of the night a parallel, ditto measure in the form of a Northern Ireland Order in Council to deal with the same problem.

Therefore, I reinforce the plea made by my right hon. Friend that Treasury Ministers give thought to providing some flexibility and relief in what will be a temporary period of 18 months to two years. People in Northern Ireland will find it difficult to understand why the law will not confer benefits upon them and why the Finance Bill will be applied in a different form in two separate parts of the same United Kingdom.

Mr. Hayhoe: The right hon. Members for South Down (Mr. Powell) and for Lagan Valley (Mr. Molyneaux) have correctly identified the problem as the provisions of the Insolvency Bill rather than those of the Finance Bill. I can only confirm that that is so and that the reason for the Finance Bill being drafted as it is is the present provisions of the Insolvency Bill, which is going through the House.

I reinforce what I said in the letter to the right hon. Member for South Down. As soon as legislation is brought in to extend the Insolvency Bill's provisions to Northern Ireland, the Government will extend those bad debt relief provisions concurrently. The Insolvency Bill provisions will be extended to Northern Ireland by statutory instrument. I note what has been said about the criticisms of those procedures. I can give the undertaking that, once that extension is made and once the Insolvency Bill point has been dealt with, Customs and Excise will extend the relief by concession until an amendment can be made in the next Finance Bill. There is no administrative problem in giving VAT relief to creditors in Northern Ireland as soon as practicable.

Mr. J. Enoch Powell: Perhaps the right hon. Gentleman has not fully appreciated the nature of the concession for which I was asking. I appreciate that before the Finance Bill is amended the relief will be granted as soon as the Northern Ireland law is brought into congruence with the Insolvency Bill, as it still is. What I was asking for was something more—that, in the period between the coming into force of this legislation and the coming into force of the Northern Ireland Order in Council, there should be an extra-statutory concession to fill that gap.

Mr. Hayhoe: If the right hon. Gentleman had contained himself for a moment, he would have found that

[Mr. Hayhoe]

I was just about to address myself to the very courteous request that he put to me. I was going to preface my comments by saying that the information available to me is that only 12 receiverships occurred in the Province of Northern Ireland during 1984, out of 1,600 in the whole of the United Kingdom. The number of receiverships is therefore small. Four of the 12 went into liquidation. Because of this, there was an almost immediate entitlement to relief. The area in which the temporary concession is being requested is very small.

I gather that there is some problem with the issue of certificates. This means that I must take up the suggestion of the right hon. Member for South Down that I should undertake to examine his request sympathetically. I gladly undertake to do that.

Mr. J. Enoch Powell: I am grateful to the hon. Gentleman for his response. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment made: No. 26, in page 33, line 31, at end insert

'or to a person deriving title from, through or under that person'. —*[Mr. Hayhoe.]*

Clause 33

INTERPRETATION AND CONSTRUCTION OF CHAPTER II

Amendments made: No. 27, in page 34, line 44, after 'conduct', insert '*(a)*'.

No. 28, in page 34, line 45, at end insert

'and

(b) where reliance is placed on any other person to perform any task, neither the fact of that reliance nor any dilatoriness or inaccuracy on the part of the person relied upon is a reasonable excuse.'

No. 29, in page 35, line 4, at end insert—

'(3A) In any case where—

(a) an amount is due from the Commissioners to any person under section 14(5) of the principal Act, and

(b) that person is liable to pay a sum assessed by way of penalty, interest or surcharge,

the amount referred to in paragraph *(a)* above shall be set against the sum referred to in paragraph *(b)* above and, accordingly, to the extent of the set-off, the obligations of the Commissioners and the person concerned shall be discharged.'. — *[Mr. Hayhoe.]*

Clause 39

BUILDING SOCIETIES

Amendment made: No. 30, in page 39, line 2, leave out 'relating to interest paid or credited'.—*[Mr. Ian Stewart.]*

Schedule 10

DEEP DISCOUNT SECURITIES

10 pm

Mr. Ian Stewart: I beg to move amendment No. 59, in page 124, line 38, leave out subparagraph (3).

Mr. Speaker: With this it will be convenient to take Government amendments Nos. 60 to 66.

Mr. Stewart: This measure fills a gap in the schedule which could have allowed the aim of the coupon-stripping legislation to be subverted by the conversion of securities issued as part of a coupon-stripping operation.

When we discussed the schedule in Standing Committee I assured the hon. Member for Thurrock (Dr. McDonald) that we would consider possible ways around the legislation. We have concluded that the existing provisions on conversion of securities are not entirely satisfactory. This group of amendments is designed to close a potential loophole.

Dr. Oonagh McDonald (Thurrock): I am glad that, because of our questioning in Committee, the Government have identified a complicated manoeuvre which could have led to tax avoidance. As usual, the Opposition are glad when such possible abuses are prevented by Government legislation.

Does the Economic Secretary have any idea how much revenue would have been lost had tax planners been able to indulge in such manoeuvres and avoid the tax that should have been paid? I am grateful to the hon. Gentleman for explaining the possible abuses that could have arisen and the ways in which they have been prevented by the amendments.

Mr. Ian Stewart: It is not possible to quantify the amount of potential revenue involved, as no activities of this type have taken place. The calculations would be complicated, so it is difficult to assess the extent to which the procedures have been used.

I shall briefly explain how the system would work. To exploit the defects in the Bill as drafted, a promoter of a coupon-stripping scheme would engage in something like the following sequence of operations. First, he would issue deep discount securities for cash. Then, at a later date, the cash would be invested in securities where the coupons were to be stripped. Later, but before the end of the first income period of the deep discount securities, some of the securities in which the coupon-stripping company had invested would be sold, so as to take the percentage of relevant securities that it owned below the 75 per cent. limit. The coupon-stripping company would then convert its deep discount securities into new securities and shortly after would re-acquire the relevant securities that it had previously sold. The process would be repeated.

This type of arrangement could enable the provisions of the Bill as drafted to be avoided, because paragraph !(3) at present applies only to the tests that operate on the position of the coupon-stripping company at the time when it issues the deep discount securities.

The purpose of the amendment is to stop this type of device by ensuring that the first test of a coupon-stripping operation in paragraph 1(4), which looks at what happens over the first income period, is applied in a modified way when securities are converted during their first income period.

Amendment agreed to.

Amendments made: No. 60, in page 125, line 9, leave out

'sub-paragraph (1), (2) or (3) above does not apply'

and insert

'neither of the preceding sub-paragraphs applies'.

No. 61, in page 125, line 13, at end insert—

'(4A) This sub-paragraph applies to deep discount securities issued by a company where either—

(a) they are issued on a conversion to which section 82 of the Capital Gains Tax Act 1979 applies of old securities, or

(b) they are issued by a company in exchange for old ecurities in circumstances in which section 85(3) of that Act applies or are treated as so issued by virtue of

section 86(1) of that Act,
and in this sub-paragraph "old securities" means deep discount securities to which sub-paragraph (1), (2) or (4) above or this sub-paragraph applies, except that securities to which sub-paragraph (4) above applies are not old securities unless sub-paragraph (4) *(b)* has been fulfilled in their case by the time the conversion or exchange concerned takes place.'

No. 62, in page 125, line 15, leave out 'one' and insert 'any'.

No. 63, in page 125, line 19, at end insert ' "income period" has the meaning given by paragraph 1(7) of Schedule 9 to that Act.'.

No. 64, in page 125, line 20, leave out
'subsection (4) of that section'
and insert
'section 36(4) of that Act'.

No. 65, in page 126, line 32, at end insert—

'(4A) Paragraph 8(3) of that Schedule shall not apply in the case of a chargeable security which is converted or exchanged.'.

No. 66, in page 127, line 6, leave out '(3)' and insert '(4A)'.—*[Mr. Ian Stewart.]*

Clause 47

LIMITED PARTNERS: RESTRICTION OF RELIEFS

Mr. Peter Rees: I beg to move amendment No. 31, in page 47, line 22, leave out from 'restriction' to end of line 37 and insert

'in case of limited partners and others of reliefs in respect of losses, interest and charges and of allowances for expenditure) shall have effect where the chargeable period—

(a) in which the loss in question is sustained or incurred, or the interest or charges in question paid, or

(b) for which the allowance in question falls to be made,

begins after 19th March 1985.

(2) That Schedule shall also have effect where that period begins on or before that date and ends after it if the person sustaining or incurring the loss or paying the interest or charges, or to whom the allowance falls to be made, begins after that date to carry on as a limited partner the trade—

(a) in which, or in connection with which, the loss is sustained or incurred or the interest or charges paid, or

(b) in taxing which, or by reason of participation in which, the allowance falls to be made,

and it is immaterial whether or not he was carrying on the trade otherwise than as a limited partner on or before that date.'.

Mr. Deputy Speaker (Mr. Ernest Armstrong): It will be convenient also to take Government amendments Nos. 67 to 73.

Mr. Rees: The purpose of the amendment is to allow the taxpayer to elect for the indexation of allowances to be based on the value of an asset at 31 March 1982 where the taxpayer making the disposal did not hold the asset at that time and each disposal of the asset since that time has been subject to a particular provision specifying that neither a gain nor a loss should arise. I am sure that the good sense of that will commend itself to the House and I hope that on that basis the House will accept the amendment.

Mr. Blair: I should like the Chief Secretary's assurance that we have understood the effect of the interlocking amendments. As I understand it, they tighten the anti-avoidance provisions in relation to limited partnerships by ensuring that they cover losses created by capital allowances as well as losses created by income. On that basis, the Opposition are happy to support the amendments. I wanted to ensure that we had understood the amendments correctly.

Mr. Peter Rees: I am happy to give the hon. Gentleman that assurance. The provision is designed to include capital allowances as well as charges on income and losses.

Amendment agreed to.

Schedule 11

LIMITED PARTNERS: RESTRICTION OF RELIEFS

Amendments made: No. 67, in page 127, line 35, leave out from '(3)' to end of line 38 and insert:
below—

(a) in respect of a loss sustained by him in a trade, or of interest paid by him in connection with the carrying on of a trade, in a relevant year of assessment, or

(b) as an allowance falling to be made to him for a relevant year of assessment either in taxing a trade or by way of discharge or repayment of tax to which he is entitled by reason of his participation in a trade.'

No. 68, in page 128, line 16, leave out from '(3)' to end of line 19 and insert
'above—

(a) in respect of a loss sustained by him in the trade, or of interest paid by him in connection with carrying it on, in any relevant year of assessment, or

(b) as an allowance falling to be made to him for any relevant year of assessment either in taxing the trade or by way of discharge or repayment of tax to which he is entitled by reason of his participation in the trade;'.

No. 69, in page 128, line 23, leave out
', the expenditure incurred or the interest paid' and insert 'or the interest paid, or for which the allowance falls to be made'.

No. 70, in page 128, line 26, at end insert—

'(5) To the extent that an allowance is taken into account in computing profits or gains or losses in the year of loss by virtue of section 169(1) of the Taxes Act it shall, for the purposes of section 47 of this Act and this paragraph, be treated as falling to be made in the year of loss (and not the year of assessment for which the year of loss is the basis year).'

No. 71, in page 128, line 30, leave out from '(3)' to second 'in' in line 32 and insert
'below—

(a) in respect of a loss incurred by a company in a trade, or of charges paid by a company in connection with the carrying on of a trade, in a relevant accounting period, or

(b) as an allowance falling to be made to a company for a relevant accounting period either in taxing a trade or by way of discharge or repayment of tax to which it is entitled by reason of its participation in a trade;

and'.

No. 72, in page 129, line 4, leave out from '(3)' to end of line 7 and insert
'above—

(a) in respect of a loss incurred by the partner company in the trade, or of charges paid by it in connection with carrying it on, in any relevant accounting period, or

(b) as an allowance falling to be made to the partner company for any relevant accounting period either in taxing the trade or by way of discharge or repayment of tax to which it is entitled by reason of its participation in the trade;'.

No. 73, in page 129, line 12, leave out
'or expenditure is incurred or the charges paid' and insert 'is incurred or the charges paid, or for which the allowance falls to be made'.—*[Mr. Moore.]*

Clause 54

TIME WHEN CAPITAL EXPENDITURE IS INCURRED

Mr. Moore: I beg to move amendment No. 32, in page 51, line 38, leave out '(3) and' and insert '(2A) to'.

Mr. Deputy Speaker: It will be convenient also to take Government amendments Nos. 33 and 34.

Mr. Moore: During our deliberations in Committee we had a full and useful debate about the clause. There was agreement that it dealt satisfactorily with the majority of capital expenditure contracts even if the agreement did not extend to the exact size of the majority. I undertook further to consider points that worried hon. Members and interested parties outside the House. My hon. Friend the Member for Kettering (Mr. Freeman) also mentioned the point. The amendments represent refinements of the basic rules in the clause and are the result of that further deliberation. Amendments No. 32 and 33 are directed at a kind of construction contract which provides for payment to be made throughout the contract as predetermined stages or milestones are reached. Often, payment for a stage becomes due when an engineer or architect has certified that the work has been completed satisfactorily. Another common feature of that type of work is that the asset becomes the property of the taxpayer as it is built and before any certificate is completed — before an unconditional obligation to pay for that part of the work arises.

In those circumstances, when the event which brings about that unconditional obligation to pay comes about early in the new year—we have specified one month—it seems to us entirely reasonable to ensure that the capital allowances treatment conforms with the balance sheet treatment and that is what amendments Nos. 32 and 33 seek to do.

On amendment No. 34, we said in Committee that if we had evidence that the present period of three months allowed in clause 54(3) was not right, we should consider the matter again and return to it on Report.

Since then, we have discussed the matter with the Institute of Taxation and the CBI, and several reasons have been put to us as to why we should support the case that some extension is warranted.

The point has been made that credit periods are often expressed in days rather than months, and in periods of up to 100 days. A 100-day credit period would fall outside the present three calendar month period. It is not unknown for a credit period to begin to run from the end of the month in which the invoice is delivered. Where a three-month credit is measured in this way it, too, would be outside clause 54 as it stands. While acknowledging that the three-month period in clause 54 should deal with the vast majority of cases, several bodies have said that four months would clear the bulk of the residue so that any additional compliance costs as a result of this part of the clause should become truly insignificant. We think that there is a case for a small extension of the credit period and we are proposing an extension of one month. This is the basis of this series of interlocking amendments.

Mr. Blair: Amendments Nos. 32 and 33 deal with a different situation from amendment No. 34. As I understand it, they deal with the situation where plant, machinery or buildings are being made for the taxpayer and payments are made in stages. The amendment deals with a situation where the work might be completed in one accounting year but the liability to pay crystallises within the first month of the next year. That is particularly so in circumstances where an architect's or engineer's certificate is issued and that is the crystallising event. It often happens in commercial contracts, particularly building contracts. If the certificate is signed in the first month of the new accounting year, that enables the taxpayer to claim relief in the old year. In other words, it is a framework for the time when expenditure is incurred.

The other Government amendment is No. 34.

Mr. Randall: I should like to ask my hon. Friend the Member for Sedgefield (Mr. Blair) whether the Minister's explanation was adequate. I listened carefully to the Minister, and although he described the problem very thoroughly, he did not say how the amendment overcame the problems involving certificates of completion. Will my hon. Friend be asking the Minister to explain how these amendments do the job because we had a detailed discussion on this in Committee?

Mr. Blair: I am delighted to give way to the Financial Secretary if he wishes to give an explanation.

Mr. Moore: The amendment seeks only to give a modicum of flexibility at a key point where we have the particular problem of the unconditionality relationship. It gives a modicum of flexibility which might be quite important at the year end. That is the essence of what it does.

Mr. Blair: To try to flesh out what the Financial Secretary has said for the benefit of my hon. Friend the Member for Kingston upon Hull, West (Mr. Randall), the time when capital expenditure is incurred is essential in deciding when a claim for capital allowances can arise. The question is, at what point is that capital expenditure incurred? There can be situations where it is easy to say that the capital expenditure is incurred because the obligation to pay has become unconditional, but there may be circumstances in which it is more difficult to say that the obligation to pay has become unconditional, for example, where there is a series of stage payments and a certificate is required to be issued by an architect or engineer saying that the work is up to a particular standard. This amendment gives a little bit of leeway. It is difficult to pluck a figure out of the air, but the amendment has taken a one-month date and is saying that in the circumstances, where the certificate is issued within one month of the new accounting period, a taxpayer can still make the claim in respect of the old accounting period. That flexibility has been introduced.

We debated amendment No. 34 at some length in Committee from two different angles — first, the circumstances where the credit period allowed by the Government, which was a three-month period, may be unnaturally short and, secondly, the circumstances where the normal payment time might be less than three months and there could be some prospect of avoidance there. The Under-Secretary has extended the period so that we are dealing now with a period of four months rather than the original period of three months. That means that when credit is given up to a four-month period it is still, when the obligation to pay becomes unconditional, crucial to determine when the capital allowance can be claimed.

The difficulties that I raised in relation to this in Committee still remain. We are assuming that the credit period may be unnaturally extended, say beyond the four-month period, to allow avoidance. There may be circumstances where the normal credit period might be less than four months and, by allowing a four-month period, there would be avoidance.

I appreciate that the Financial Secretary has decided, on consideration, that such avoidance is a small possibility, but I should be grateful if he would respond to this point. I repeat what I said in Committee. We are trying to ensure that the credit period given is in accordance with normal commercial usage. Those words are used in a different part of the clause and I am still not entirely convinced that they could not have done this in a better way. I appreciate that these are difficult matters to judge.

The Minister has obviously taken account of the representations that have been made to give some sort of leeway in introducing the amendments. I hope that it will not be thought churlish if I contrast the ease with which perfectly sensible amendments may be introduced and representations from several parts of industry can be listened to when we are discussing such things as capital allowance with the less than listening Government who dealt with some of the matters about which we were talking yesterday. I am thinking in particular of what my hon. Friend for Birmingham, Hodge Hill (Mr. Davis) said about work-place nurseries.

I appreciate that the Government have to pay attention to the representations that have been made, but one sometimes wonders whether the Government do not pay more attention to representations from certain quarters than they do to representations from other quarters. If the alacrity with which the difficulties relating to capital allowances for companies have been dealt with was transferred across the broad spectrum of taxation problems, we might have a much more efficient and equitable taxation system.

Mr. Randall: I am still not happy with the answer that the Financial Secretary gave. I am sure that he has attempted to do this in the best possible way. The answer to the tripartite discussion that we had is that the Government have introduced a modicum of flexibility. We are talking about completion dates for construction contracts, payments and so on. However, we should rise above that to see what this clause means in quantitive terms, for example, to the construction industry in terms of capital allowances.

What consultations has the Minister had with the industry, and what has it said about the modicum of flexibility? I have not looked up the word modicum in the dictionary, but it does not convey the idea of a huge change in capital allowances for the construction industry. I see it as a rather small change. Perhaps the Minister could give us some feel for the order of magnitude of the relief given to the construction industry through the capital allowances.

Mr. Moore: I was using "modicum" as the description of one month in relation to a year. I apologise if the word lacked a certain precision. The extent to which this is a complex sector was discussed in Committee, as the hon. Member for Sedgefield (Mr. Blair) said. We were trying to put into statutory form a complex new attempt to interpret a set of commitments to pay by purchasers at a point at which they became absolutely unconditional obligations. That was an entirely new concept and the basic purpose was to try to put on the statute book normal accountancy practice. As the hon. Member will remember from our debates upstairs, normal accountancy practice was a rather difficult thing to pursue, locate and establish. There seemed to be many different principles and it was an attempt to fit correctly into the pattern and practice of the majority of British industry.

10.15 pm

In Committee one of my hon. Friends and one of the hon. Gentleman's hon. Friends raised the matter of milestone contracts and the problems of the construction industry. To that extent, my officials continued, as I said they would, the whole process of attempting to make sure that our legislation got the issue right. Because of the nature of accountancy practice in putting these obligations unconditionally on to the accounting books of companies, my officials found that they differed somewhat from our attempt to get the unconditional obligation to pay. In an important part of British industry, we tried to find a modicum in terms of a month to allow flexibility. I cannot pretend that the industry is totally satisfied with that.

In the judgment of the Inland Revenue and the Government, that brings to bear a fair balance of judgment, and, as the hon. Member for Sedgefield said, it gives protection to the Revenue as well as helping the accounting systems of our major construction companies.

I would not suggest that the hon. Member for Sedgefield was being churlish, because he would find great difficulty in ever being churlish. In the debates in Standing Committee, we were trying to put into statutory form for the first time the normal accountancy practices, and it did not seem unwise to take account of the advice of industry about that. As he said, there was a dispute — both sides were displayed in Committee — about whether it was to be three or four months.

In Standing Committee, the hon. Gentleman rightly identified one of the problems of the Government, which was to try to ensure that one could find a solution—I accept his argument that it is a matter of judgment—that does not create a possibility or encourage the problems of avoidance. I understand the points he is making and I think there are two reasons why any worries are likely to be misplaced. Perhaps we did not elaborate sufficiently in Committee. Most buyers and sellers operate at arm's length, with one wanting to pay the lowest price possible —a long credit period would be likely to affect the price—and the other party to the transaction trying to obtain his money as soon as possible. We think it improbable that present practices in the market place would be much affected or would change because of clause 54, as amended.

I went on to describe upstairs the workings of the anti-avoidance feature. I listened very carefully to what the hon. Gentleman said. Obviously, we have come to a judgment on the three points I made earlier after further discussion with people outside. If, having established this, we judge that the clause is in any way being abused, we will come in very quickly to seek to tidy it up. We are trying to judge the right length of time. I will be happy to come back and inform the hon. Member if we think it merits further scrutiny.

Amendment agreed to.

Amendments made:

No. 33, in page 51, line 42, at end insert—

'(2A) If, under or by virtue of any agreement,—

(a) as a result of the issue of a certificate or some other event, an obligation to pay an amount of capital expenditure on the provision of an asset becomes unconditional, and

[Mr. Moore]

> *(b)* at a time before that obligation becomes unconditional, the asset becomes the property of or is otherwise under the contract attributed to the person having that obligation,
>
> then, in a case where the obligation referred to in paragraph *(a)* above becomes unconditional within the period of one month beginning at the end of a chargeable period or its basis period but the time referred to in paragraph *(b)* above falls at or before the end of that chargeable period or its basis period, subsection (2) above shall apply as if the obligation became unconditional immediately before the expiry of that period.'.

No. 34, in page 52, line 4, leave out 'three' and insert 'four'. —*[Mr. Moore.]*

Clause 55

ELECTION FOR CERTAIN MACHINERY OR PLANT TO BE TREATED AS SHORT-LIFE ASSETS

Mr. Nell Hamilton: I beg to move amendment No. 155, in page 53, line 4, leave out '1986' and insert '1984'.

This amendment is designed to bring forward the date on which the new capital allowance treatment for short-life assets comes into force from 1 April 1986. The Government have accepted that short-life assets require a special regime, and I applaud the measure they have brought forward. It will allow the taxpayer to elect within two years of the purchase of the asset for the asset to be treated as short life and he would therefore be entitled to receive a balance allowance or suffer a balancing charge if he disposed of his acquisition.

The amendment would apply this treatment to all assets from the time that the 100 per cent. first-year allowances for machinery and plant were withdrawn rather than waiting until only the 25 per cent. reducing balance annual allowances were available. It has to be remembered that depreciation starts when the asset is purchased.

The second effect of the amendment is that it would help ease the dip in capital allowances during the transitional period from the old 100 per cent. first-year allowance system. The bottom of the dip is in 1986-87. If the commencement of the short-life treatment is brought forward from 1 April 1986 to 1 April 1984, some balancing allowances will occur in 1986-87 and reduce the dip, making it less deep. Even if the balancing allowance occurs before 1986-87, it will improve the company's cash flow and help it cope with the dip that much better.

The amendment is an ameliorative measure and I hope that it will appeal to my hon. Friend.

Mr. Blair: The amendment makes me suspicious, but I am not entirely sure why. I want to make sure that I have understood exactly what is being proposed.

Clause 55 gives a certain exceptional treatment to short-life assets and in many ways the amendment results from what happened last year and the problems arising from the 1984 Budget taking away capital allowances.

The improvement in capital allowances for short-life assets applies at present to expenditure incurred after 1 April 1986, and that is when first-year allowances will be phased out. The amendment would bring forward the date to April 1984, and that would be the start of the phasing-out period and not its conclusion.

In a perfect world it would mean that the exemption of short-life assets from the provisions of last year's Budget would be given from the moment the first-year allowances started to be phased out rather than there being somewhat of a hiatus between April 1984 and April 1986. If the election for certain machinery to be treated as short-life assets and the preferential treatment given to them can only be given after 1 April 1986, there is the period between April 1984 and April 1986 when the first-year allowances are being phased out and the treatment of short-life assets will not be as good as it will after 1 April 1986.

I always approach amendments tabled by the hon. Member for Tatton (Mr. Hamilton) with an extremely open mind. I always assume that they will fairly distribute the burden between the taxpayer and the Revenue. But my hon. Friends behind me who have greater experience than I in these matters tell me to be more cautious. I should like to ask the Financial Secretary—it may be that the hon. Member for Tatton will deal with it when he comes to press or to withdraw his amendent — whether the difficulties of administration with this type of amendment would not be considerable. There would be every opportunity going back to 1 April 1984 for elections to be made in circumstances where perhaps there was a very much greater burden on the Revenue than might otherwise have been thought.

Mr. Tim Smith: I cannot see that the amendment will be of much value. In the period from 1 April 1984 to 31 March 1985 a taxpayer could get an allowance of 75 per cent. on the asset which he acquired. Therefore, of what value will the amendment be?

Mr. Blair: Between now and 1986 the amount that could be claimed will not be 75 per cent. but less than that —50 per cent. this year. If the date were put back to April 1984, a taxpayer could take full advantage of the relief under clause 55 back to April 1984. Therefore, the amendment would bring taxpayers an advantage.

The difficulty with the amendment is that it appears to be open to potential abuse, but the Financial Secretary will no doubt give us the answer to these conundrums.

Mr. Randall: I am a little suspicious, because we have already had a similar amendment from the hon. Member for Tatton (Mr. Hamilton). He is a charming man, but I am suspicious of him on financial matters. I do not trust him — I mean that in the kindest sense. I am not suggesting that he is dishonest, but I do not understand his motives.

Dr. Marek: It is precisely because we understand the hon. Gentleman's motives that we are suspicious. Conservative Members represent the rich and the idle rich. We know whom they represent and what their motives are.

Mr. Randall: I am a gentle person, and I am not prepared to go as far as my hon. Friend the Member for Wrexham (Dr. Marek).

We are discussing bringing forward the date when short-life assets can be paid. The hon. Member for Tatton suggested that that would apply to all assets where the 100 per cent. capital allowances have been withdrawn. He talked about the improvement in companies' cash flows, and clearly the amendment would achieve that. One can see why companies would like to claim their allowances earlier because of the obvious consequences in that respect.

I feel that there is something behind the amendment which the hon. Gentleman did not fully describe. Will the

Minister explain fully the consequences of the amendment to business in terms of money from the Exchequer? Would the amendment be particularly beneficial? Finally, what scope exists for abuse?

Mr. Moore: I shall respond quickly to the question of cost. It is always the Treasury's unfortunate task to put cost on to the record. The cost would not begin until 1987-88, when it would be £10 million. In 1988-89 it would be £50 million, in 1989-90 £70 million, and thereafter there would be a saving on present costings.

Although I shall not go into the underlying strategy of the capital allowance changes — we may have an opportunity for that later—it may be useful to remind the House that from April 1986 the capital allowance system for machinery and plant will be based on a pool of expenditure, attracting an annual allowance of 25 per cent. on a reducing balance basis. That will enable most business equipment to be written off over a period, but on average it will more than fairly reflect its useful life. We recognise that, for those assets which depreciate much more quickly than the average, something more is needed, and the Chancellor of the Exchequer announced the new de-pooling arrangements which we now know as clause 55. According to advice from my Revenue officials, we do not see much problem in terms of additional administration. Despite the suspicions of Opposition Members, we do not see the problems of potential for abuse — as opposed to the cost, which is quite a different question — or excessive administrative difficulties.

Mr. Blair: Where does the cost come from?

10.30 pm

Mr. Moore: I think the hon. Gentleman will appreciate the point when I go through the arithmetic. It is clear that there is a modest advantage entailed.

My hon. Friend the Member for Tatton (Mr. Hamilton) talked about the dip—the point raised by the CBI. I refer to it in the context of the CBI's reference, as opposed to endorsing the concept of a dip. As my hon. Friend will know, there will always be difficulty in any period of transition where major change is enacted. The Government were very conscious of that in 1984, when framing the capital allowance proposals to give assistance specifically during that transitional period. Therefore, the Government advanced, first by one year, the pattern of reduction in corporation tax rate. Clearly, the reduction in rate will benefit the company sector. Those are factors which have to be taken to the other side of the ledger. Equally, we are making those changes at a time of greatly improving corporate profitability and liquidity, which is an important factor in relation to the proposal.

The option to de-pool assets is to be an integral part —this is the point that the hon. Member for Sedgefield (Mr. Blair) was making—of the new capital allowance system and not part of the old one, which does not come to its end until 31 March 1986. In the period from March 1984 to 1985, expenditure on business machinery and plant attracted a first-year allowance of 75 per cent., and in the period April 1985 to March 1986 it attracts a first-year allowance of 50 per cent. It is only from April next year that, for businesses generally, first-year allowances disappear altogether, and the new system, including the refinement for short-lived assets, is fully in place. As opposed to what my hon. Friend the Member for Beaconsfield (Mr. Smith) said, I know that my hon. Friend the Member for Tatton will appreciate the details of the impact on company investment during the transitional period.

In 1984-85, with a 75 per cent. first-year allowance, the company's investment is written down by 82 per cent. in just two years, almost to residual value. In 1985-86, the second transitional year, with a 50 per cent. first-year allowance, within three years nearly three-quarters of the initial cost will have been written off for tax. Against that background I do not see any case for bringing forward the starting date for just one element in the new system. The new system is an integral system. I hope that my hon. Friend the Member for Tatton, having probed the matter, will not press his amendment.

Sir William Clark: If there is any suspicion relating to my hon. Friend the Member for Tatton (Mr. Hamilton), that suspicion relates also to me, as I signed the amendment.

The Minister referred to the cost to the Exchequer. Will he agree that it is only a cash flow loss and nothing whatever to do with loss of revenue, and that my hon. Friend is only trying to give a cash flow advantage?

Mr. Moore: My hon. Friend is right. That was the whole nature of the debate, in which so many of us have been involved, on capital allowances. It is a debate relating to cash flow. The amendment, in the names of my hon. Friends the Members for Tatton and Croydon, South (Sir W. Clark) seeks to assist what they see as the particular problem of British industry. In the Government's judgment, we have covered the problems in the transitional arrangements.

Mr. Neil Hamilton: As my hon. Friend has vindicated my character and allayed the suspicions of Opposition Members, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendments made:

No. 35, in page 54, line 23, at end insert—

'(5A) If, at a time before the notional trade would otherwise be permanently discontinued for the purposes of section 44, the short-life asset begins to be used otherwise than for a qualifying purpose, within the meaning of section 64 of the Finance Act 1980 (leased assets used for certain purposes) and the occasion of its beginning to be so used falls within the requisite period, within the meaning of that section, then at that time—

(a) the notional trade shall be treated as permanently discontinued but no balancing allowance or charge shall be made to or on the trader by reason thereof, and

(b) the amount which, apart from this subsection, would be the trader's qualifying expenditure for the chargeable period in which, or in the basis period for which, the asset began to be so used shall for the purposes of section 44 (as it has effect in accordance with section 65 of the Finance Act 1980) be added to the trader's qualifying expenditure for that chargeable period in respect of the separate trade referred to in subsection (2) of the said section 65.'.

No. 36, in page 54, line 24, leave out from 'if' to 'the' in line 25 and insert

'at a time before the notional trade is permenantly discontinued for the purposes of section 44.'.

No. 37, in page 54, line 43, leave out 'and this subsection'.—*[Mr. John Moore.]*

Clause 57

ENTITLEMENT TO ALLOWANCES FOR MACHINERY AND PLANT WHICH ARE FIXTURES

Mr. Moore: I beg to move amendment No. 38, in page 56, line 42, at end insert—

'(8) Nothing in subsection (1) above affects the entitlement of any person to an allowance by virtue of section 85 of the Capital Allowances Act 1968 (allowances in respect of contributions of a capital nature) and, accordingly, in paragraph 15(6) of Schedule 8 to the Finance Act 1971 (modification of the operation of section 85 in relation to allowances for machinery and plant) after the words "the said Chapter I", where they last occur, there shall be inserted "or Schedule 15 to the Finance Act 1985".'.

This deals with a matter discussed in Committee in consideration of amendments tabled by the hon. Member for Sedgefield (Mr. Blair) and my hon. Friend the Member for Tatton (Mr. Hamilton). We have looked closely at the problem identified by that discussion, and the amendment is the result.

As it stands, clause 57 allows only the person to whom fixtures are treated by schedule 15 as belonging to receive capital allowances on those fixtures. However, it has been put to us that this could upset long-established methods of commercial funding where, for example, one company contributes to the capital expenditure incurred by another on machinery or plant which is a fixture, and in which both have a commercial interest. The amendment will allow these arrangements to continue to be made unaffected by the clause and its schedules.

While commending it to the House, I commend my hon. Friend the Member for Tatton and the hon. Member for Sedgefield for their diligence in ensuring that we had the benefit of their advice.

Mr. Blair: I am grateful to the Financial Secretary for having taken account of our representations. I believe that this deals with the problems of contributor companies.

Amendment agreed to.

Schedule 15

CAPITAL ALLOWANCES FOR FIXTURES

Amendment made:

No. 74, in page 141, line 30, leave out 'debtor' and insert 'person having that right'—*[Mr. Moore.]*

Mr. Moore: I beg to move amendment No. 75, in page 147, line 46, at end insert

'and

(c) the occasion of the fixture ceasing to belong to the former owner is not its permanent severance from the relevant land (whether on disposal, demolition, destruction or otherwise)'.

Mr. Deputy Speaker: With this it will be convenient to take Government amendments Nos. 76 to 78.

Mr. Moore: These four amendments substantially alter the rules which require disposal value to be brought into account when a fixture is treated as no longer belonging to someone for capital allowance purposes.

The difficulties at which the amendments are aimed arise because the value of fixtures turns very much on the value of land to which they are attached. At the extreme, the fixtures in a building may be very valuable, but they are not worth much to someone whose lease has only one day to run. The rules which we had originally intended are contained in paragraph 9 of schedule 15. Paragraph 9 provides a general set of rules which require the adoption of a notional sale price based on an apportionment of some arbitrary assumptions about the open market value of the interest in the land to which the fixtures are attached.

Originally, this approach was regarded as necessary so that on the basis of that open market valuation at least some capital allowances could be recovered from the old owner and the fixtures at the same time as the new owner began to receive allowances.

It has been widely suggested by the British Property Federation, the CBI, all the accountancy bodies and the Institute of Taxation that the rules should give greater recognition to the actual consideration — the hon. Member for Sedgefield referred to this—if any, of the fixtures which passes between the parties concerned, assuming that they are acting on an arm's length basis. It is that which the amendments do.

The amendments in practice will considerably reduce the extent to which open market value calculations have to be made and correspondingly will increase the extent to which the actual sale proceeds which pass between the old and new owners of a fixture can be brought into the old owner's capital allowances computation.

We believe that, even though it is longer than the present set of rules, this alternative approach to dispose of value can be widely welcomed by those concerned with this difficult subject, whether directly or as professional advisers, since a great deal of work on valuations and apportionments will be avoided altogether.

Mr. Randall: I have a brief question. I was interested to hear the Minister's explanation in which he suggests that we de-couple certain fixtures from assets like land and other assets which should not be taken into account in deciding values when computing the capital allowances. I am wondering whether, in carrying out the computations, this de-coupling exercise might be susceptible to abuse. Land is a fairly cut and dried issue, but there must be other examples where it would be necessary for the Inland Revenue to de-couple the assets in such a way that the boundary becomes blurred and a judgment therefore more difficult to make. Can the Financial Secretary say whether he thinks that in some of the other examples where this exercise will need to take place there might be the opportunity for abuse?

Mr. Moore: I shall examine very carefully the hon. Gentleman's point. We are very conscious of the problem of avoidance. The hon. Member for Workington (Mr. Campbell-Savours) raised in Committee a similar point and we gave assurances upon it. I am happy to give assurances on this point. However, I shall look at the matter again and will write to the hon. Gentleman if I find that there is any need to consider the matter further.

Amendment agreed to.

Amendments made: No. 76, in page 148, line 3, leave out 'this paragraph' and insert 'sub-paragraphs (1A) to (3A) below'.

No. 77, in page 148, line 4, leave out from beginning to 'the' and insert—

'(1A) Subject to sub-paragraph (3A) below, if the occasion of the fixture ceasing to belong to the former owner is the sale of the qualifying interest, the price referred to in sub-paragraph (1) above is that portion of the sale price of the qualifying interest

which falls (or, if the purchaser were entitled to an allowance, would fall) to be treated for material purposes as expenditure incurred by the purchaser on the provision of the fixture.

(1B) If the fixture ceases to belong to the former owner by virtue of sub-paragraph (5) of paragraph 7 above, the price referred to in sub-paragraph (1) above is so much of the capital sum referred to in sub-paragraph (1)*(c)* of paragraph 5 above as falls to be treated for material purposes as expenditure by the lessee on the provision of fixture.

(2) If neither sub-paragraph (1A) nor sub-paragraph (1B) above applies.'.

No. 78, in page 148, leave out lines 14 to 22 and insert—

'(3A) If the sale referred to in sub-paragraph (1A) above is at a price lower than that which the qualifying interest would have fetched if sold in the open market, that sub-paragraph shall not apply unless the purchaser's expenditure on the acquisition of the fixture can be taken into account as mentioned in section 44(6)*(b)*(i) of the Finance Act 1971.

(3B) If the occasion of the fixture ceasing to belong to the former owner is the expiry of the qualifying interest, then, except in so far as the former owner receives any capital sum, by way of compensation or otherwise, by reference to the fixture, the disposal value of the fixture which fails to be brought into account under section 44 of the Finance Act 1971 shall be nil.

(3C) In any case where—

(a) the disposal value of a fixture falls to be brought into account in accordance with section 44 of the Finance Act 1971 on the permanent discontinuance of the trade in circumstances where that value falls to be determined under paragraph *(e)* of subsection (6) of that section; and

(b) before the occurrence of the later event referred to in that paragraph, the fixture is not permanently severed from the relevant land,

that paragraph shall apply as if the reference therein to paragraph *(a)* and paragraph *(b)* of that subsection were omitted; but if the event which follows the discontinuance of the trade is the sale of the qualifying interest, the disposal value of the fixture to be brought into account under that section shall be that portion of the sale price referred to in sub-paragraph (1A) above.

(3D) If the disposal value of the fixture falls to be brought into account in accordance with section 44 of the Finance Act 1971 on its beginning to be used wholly or partly for purposes which are other than those of the trade, paragraph *(f)* of subsection (6) of that section shall apply as if the reference to the price which the machinery or plant would have fetched if sold on the open market were a reference to that portion of the price referred to in sub-paragraph (2) above.

(3E) If, on the occasion of the fixture being treated, by virtue of paragraph 7 above, as ceasing to belong to the former owner, another person incurs expenditure on the provision of the fixture, there shall be disregarded for material purposes so much (if any) of that expenditure as exceeds the disposal value which the former owner is required to bring into account in accordance with section 44 of the Finance Act 1971.'.—*[Mr. Moore.]*

Clause 60

AGRICULTURAL LAND AND BUILDINGS

Mr. J. Enoch Powell: I beg to move amendment No. 39, in page 57, line 23, leave out '1986' and insert '1989'.

Mr. Deputy Speaker: With this it will be convenient to discuss the following amendments: No. 40, in page 57, line 27, leave out '1987' and insert '1990'.

No. 41, in page 57, line 42, at end add

'(5) For the purposes of this section as it applies for income tax purposes the date "6th April 1989" shall be substituted for the date "1st April 1986" in subsection (1) hereof and the date "6th April 1990" shall be substituted for the date "1st April 1987" in subsection (1)*(b)* hereof.'.

Mr. Powell: This amendment, together with amendments Nos. 40 and 41, has the effect of modifying by deferring the severe impact upon the agricultural industry of the elimination of the initial allowance and the reduction of the annual write-off from 10 to 4 per cent. per annum. The amendments relate to the Bill as a United Kingdom Bill. Most of the right hon. and hon. Members who have put their names to these amendments represent Northern Ireland constituencies. That is not surprising, since the impact and the arguments in relation to the change are probably the most severe in relation to the general run of the farming industry in Northern Ireland. Nevertheless, we are happy that the broad acres of Cheshire have been associated by the hon. Member for Tatton (Mr. Hamilton) with the drumlins and mountains of Ulster.

Mr. Campbell-Savours: And bogs.

Mr. Powell: Bogs could well, as the hon. Member for Workington (Mr. Campbell-Savours) suggests, be added to the landscape for the sake of completeness.

The reduction of these allowances was made in a specific context. It was made in connection with corporation tax relief. Consequently, for most farm businesses that are not liable to corporation tax there have been the disadvantages, unaccompanied by the counter-balancing advantages. In the case of the writing down figure in particular, the reduction from 10 to 4 per cent. per annum is severe in its impact upon most forms of agricultural capital. There are certain forms of agricultural capital where a 25-year period of write-off might be reasonable, but for most agricultural buildings a period much shorter than 25 years before they are required to be renewed and replaced is now reasonable. Buildings that are associated with use for animals or buildings where the processes of corrosion, as in the handling of slurry, are relevant are particularly short in life. Consequently the write-off over 25 years instead of 10 years is serious in its impact.

I know that it can be argued that there is always at the end of the life of an asset a balancing allowance which can be made if the value has been unexhausted by the annual write-off. However, that does not affect the financial position of the farm or undertaking during the life of the asset. It remains a disadvantage that an asset that is replaced after 10 years has been depreciated over 25 years.

The supporters of the amendments appreciate that the new system of initial and write-off allowances hangs together. Therefore, we ask only for a deferment of the impact so that those who will be severely affected will have the opportunity to rearrange the finances of their businesses to meet the new conditions under which they will have to operate.

The problem comes home particularly to the small farmer who will be affected by the income tax rather than the corporation tax aspects of the new provisions. I hope that my right hon. and hon. Friends will further illustrate to the Government why a deferment of the impact for three years, as proposed by the amendments, would be just and welcome.

10.45 pm

Mr. Neil Hamilton: I endorse the closing comments of the right hon. Member for South Down (Mr. Powell). The amendments are designed to ameliorate the position of the small farmer and the family farmer who is not incorporated.

When we discussed in Committee a number of other amendments affecting agriculture, I was the butt of some

[Mr. Neil Hamilton]

ridicule and ribaldry from Labour Members for defending an interest that was already heavily subsidised by the taxpayer. As the House knows, I hold no brief for the common agricultural policy and all the anomalies and absurdities that characterise it.

The income of a small farmer is relatively low, although he has a large capital asset, the value of which has been built up largely because of the CAP. The amendments seek to ameliorate the position of farmers who survive on low incomes, who will be greatly affected by the speed at which we move from the old system of allowances to the new one.

Most farmers in my constituency are dairy farmers and they have been adversely affected by changes in the CAP. Their incomes have been depressed and their businesses weakened. I am no friend of the surpluses inherent in the CAP and I want us to move to a more rational system, but the transitional period must be a reasonable one. The amendments seek to help the small family farmer for a transitional period.

The amendments would also give an impetus to conservation of the countryside. When farmers' incomes are reduced, they are less likely to spend money on farm buildings and other visible assets. As a result, the countryside may be adversely affected. Several farmers in my constituency have spent money on buildings so that they merge attractively into the countryside. All hon. Members would applaud that aim. It is a question of improving cash flow so that such schemes can be continued.

The 4 per cent. writing down allowance does not represent a realistic rate of depreciation for many modern farmers. That is unfortunate. It is extraordinary that, under the new system, the balance of tax relief is moved in favour of investment in machinery and against buildings, the construction of which creates more employment. The machinery write-off in the first year will be 25 per cent. instead of 100 per cent., but for farm buildings the write-off in the first year will be 4 per cent. instead of 30 per cent. Machinery allowances are reduced by a factor of four, but for buildings the factor is over seven.

I agree with what has been said about the unincorporated business. There is a counter-balancing advantage for incorporated businesses in the reduction in corporation tax. I applaud the Government's strategy, but I hope that we can do something for the income tax payer rather than the corporation tax payer. The amendments suggest changes to help farmers.

Mr. William Ross (Londonderry, East): The hon. Member for Tatton (Mr. Hamilton) referred to small farmers. Very few large farmers exist in Northern Ireland. By reducing allowances, the Government are simply trying to return to the position which prevailed before the high inflation rate under which we have suffered in the last 10 to 15 years.

It is laudable for any Government to take such steps. However, the Government are treating all farm and industrial buildings as if they were the same. I declare an interest since I own a small farm. I have a farming background and I know how to dig a drain. That is how I earned my living for 15 years.

The Government are treating buildings which are different as if they were the same. They do not seem to recognise that farm buildings are different from industrial buildings in many respects. Industrial buildings have a long life; even if they cannot be used for their original purpose they are so adaptable that they can be used for many other purposes. Most farm buildings have a relatively low output and many are used for only part of the year. Cattlehouses, for instance, are used only in the winter months. During those months the metal work deteriorates more quickly than it does in other buildings. That is a fact of life. If barley is dried in a building it will deteriorate even more quickly.

The life span of farm buildings varies according to the use to which they are put. For instance, a store is a simple and cheap building which will usually last a long time, but a silage pit is a building which has to be roofed over in the wetter parts of the United Kingdom and it is costly although it is used for only a short time each year. Pig and poultry buildings are intensively used. We must give closer consideration to the matter.

Many farm buildings, especially those erected for pigs and poultry, are highly specialised and cannot be used for any other purpose. Big changes have taken place in farming in the last 10 to 15 years—so much so that once profitable enterprises have vanished from the scene, especially in Ulster. It is not apparent to those who are not farmers that severe working conditions apply on farms during the winter months. That is why buildings are vital, for the comfort not only of farm animals but of those who look after them.

A highly specialised work force has grown up in erecting farm buildings, with many people employed permanently on that work. In recent years, however, farming has suffered a number of blows which have reduced the amount of money available for the erection of farm buildings. The industry has lost the initial allowance, the writing down allowances are being reduced and there are lower farm grants. It is clear from what was said in the House on Monday that those grants will be greatly reduced in the future. The cash flow problems of farmers will increase considerably in the near future, and I regret that the Government seem to be adding daily to their problems.

In Northern Ireland—I cannot speak for the rest of the United Kingdom—most industry receives industrial development grants for machinery. Farming does not. Farm buildings have always had a short writing down period. Conditions have not changed so much in recent years as to enable the Government to depart from the long-established practice in that respect. I hope that the Government will look again at this issue, will take on board the representations that are being made tonight and will act to relieve farmers of the burdens that are currently being heaped upon them.

Mr. James Nicholson (Newry and Armagh): I support what hon. Members have said on this subject. Like my hon. Friend the Member for Londonderry, East (Mr. Ross), I have an argicultural interest and am well aware of the problems that are being caused to the industry in Northern Ireland.

The proposed changes will greatly add to the difficulties of those engaged in agriculture. The proposal to extend the 10-year write-off period to 25 years will mean many agricultural buildings becoming obsolete and having to be replaced by more modern ones even before the old ones have been written off. My right hon. Friend the Member for South Down (Mr. Powell) outlined the

position correctly when he referred to the various types of agricultural building, and I will not go over the ground that he covered.

The present system has been in operation for over 40 years and has proved adequate. We are asking for farmers to be given a reasonable period in which to adjust to the changes. Cash flow is vital to any business, including farming. In the long term and the short term, cash flow plays an important part, and I urge the Minister to consider the types of people who will be most affected by the changes.

In Northern Ireland, the small family farmer will be the hardest hit. The young farmer trying to get started at the bottom of the ladder will be hard hit as well. The proposals will be most damaging to those people. They will not be able to claim relief through the reductions in corporation tax. Few, if any, small farmers will be able to alleviate their problems if there is no offsetting.

11 pm

How many farmers are incorporated? Such farmers are few and far between in Northern Ireland. Farm businesses have already suffered from the changes in plant and machinery allowances which were introduced last year. I am informed—I may be corrected on this—that the changes will cost agriculture more than £400 million in the five-year transitional period. We must consider also what will happen in the transitional period for building allowances. Judging by present ceilings, the change could cost agriculture another £400 million.

Unfortunately, the changes can lead only to a severe decrease in investment in agriculture. Because the small farm system in Northern Ireland means that it is necessary to apply a more intensive system of agriculture than in other parts of the United Kingdom, this policy will be to our detriment. We live in a time when technology can transform any sector. This feature is most pronounced in the intensive sector of horticulture. Existing buildings can become obsolete and outdated within a short period. Will the Government award any recognition to this point, as it will concern us in the future?

Agriculture is facing a difficult time and it is unwise to add an extra burden. I ask the Financial Secretary to reflect on the changes last November in the farm capital scheme when the amount available was reduced by £40 million. My hon. Friend the Member for Londonderry, East referred to this week's announcement on the scheme. We can expect another large slice to be taken from the farm capital scheme. That is another reason why the Financial Secretary should afford the amendment consideration and support. Such a proposal, if passed, would have far-reaching consequences for United Kingdom agriculture, and more particularly for Northern Ireland.

Mr. Randall: I have great reservations about the amendment. The right hon. Member for South Down (Mr. Powell) is essentially asking for special arrangements to be made for agriculture because of the reduction in allowances associated with the corporation tax changes. I do not regard tin sheds, slurry sheds, barns, and so on as short-life assets. I cannot understand why it is necessary to give agriculture yet another boost in this way while other industries are deprived.

I should like the high tech industries to be given even more help. I know that the Government are making special arrangements to assist those industries. This is as a result of the 1984 changes arising from the Chancellor's statement on these matters. The deferment to which the right hon. Member for South Down referred is bound to mean that less money will be available for other industries. It would be of interest if the Minister can tell the House how much that will cost.

We are aware that all businesses—farming, industry and financial institutions—want to improve their cash flow, but the amendment amounts to giving agriculture special assistance. The hon. Member for Tatton (Mr. Hamilton), who supported the amendment, is asking for yet another subsidy. It is not a lump sum handout or anything like that; it is a revenue subsidy. I understand the thrust of the argument, but I cannot support the amendment.

Dr. Marek: I am not sure that I go along completely with my hon. Friend the Member for Kingston upon Hull, West (Mr. Randall). I hope that the right hon. Member for South Down (Mr. Powell) might elucidate a little. My experience is that small farmers in many areas need help. They do not all conform to the image commonly held of the farmer in East Anglia growing a great deal of cereals, driving a Jaguar and having two or three Range Rovers in a shed.

I have been to Northern Ireland. It is similar to Wales. I do not know what the pattern of farming in Ulster is or what the acreage is. I imagine that it is not large and that many farmers farm small acreages and just manage to make a living. I also believe that the land is not especially good. If I am wrong no doubt hon. Members will tell me. That is true of many parts of Wales.

Small farmers need help. If the amendment seeks to help them I support it. There is, however, a caveat. I do not know whether the amendment will also help the large unincorporated farmer. If it does, the amendment is not tuned finely enough. That is the problem. I do not know what effect the amendment will have. No doubt the Minister will enlighten us about that.

My sympathies are with the small farmer. More needs to be done for him, but I am not sure that the amendment is the right way to go about it.

Mr. Blair: Like all my hon. Friends, I am sympathetic to small farmers. The Labour party will long be remembered for the position that it took on the dairy quotas that the Government introduced which seriously hit many small farmers.

This amendment and the clause apply to farmers in general. It does not distinguish between large and small farmers. We must decide whether we should single out agriculture for yet another subsidy, because whether or not one calls it a subsidy that is what the provision amounts to. Those who vote for the amendment will have decided to give agriculture special treatment. There is no way of getting out of that.

One of the features of our debate this evening has been the degree to which certain hon. Members opposite have been totally against subsidies in general but wholly in favour of subsidies in particular. The hon. Member for The Wrekin (Mr. Hawksley) spoke about business within his constituency and the hon. Member for Tatton (Mr. Hamilton) talked about particular interests. They appear to adopt a view of the economy which is wholly inconsistent with the view that they adopt as monetarists in other areas. If only the same concern was shown for building up our industry, in particular our manufacturing

[Mr. Blair]

industry, that is shown towards the special interests which they represent we would all be much better off. The truth of the matter is that when allowances were done away with last year there was a substantial withdrawal of the incentive to invest in industry. We are still dealing with those problems this year.

Opposition Members are unable to support these amendments, although we are not unsympathetic to the problems raised by hon. Members. Capital allowances should be looked at as they relate to industry in its entirety and not to individual sectors which may have the particular sympathy of Conservative Members.

Mr. Moore: I shall turn my attention to the specific amendments of the right hon. Member for South Down (Mr. Powell). The principal purpose of his amendments is to defer by three years the proposed reduction in the rate of agricultural building allowance. I am very conscious of the contributions which he and his hon. Friends have made about particular problems in the agricultural industry in the areas they represent. Having said that, it is essential that I put that request for a deferral into the context of the overall background of the Government's proposals last year. I should mention as an aside that the detailed proposals were announced in March 1984 and do not go into effect until April 1986.

As the House will know, the Government last year embarked on a major reform of business taxation. Our aim is to move to a system which is much more neutral as between different types of investment so that the pre-tax return on capital investment rather than the post-tax return becomes the basis of commercial decision making. Coupled with this is a determination to achieve lower tax rates on business profits since high rates are themselves a disincentive to investment and therefore to worthwhile economic progress.

We reduce the small companies rate of corporation tax to 30 per cent. with immediate effect. In addition, the main rate of corporation tax is oeing reduced by one-third over the period from 1984 to 1986. And for income tax, which is of principal concern to the unincorporated sector, there are a number of significant benefits flowing from both last year's Finance Bill and this year's.

These include real increases in income tax thresholds which continue the progress made in reducing levels of personal tax since this Government took office in 1979; the abolition of both the investment income surcharge and the national insurance surcharge; the capital taxation changes; the proposed reform of the capital gains tax retirement relief; and the national insurance contribution changes such as the reduction in class 2 contributions and the giving of relief on one-half of the class 4 contributions. Those have to be put in context because those last two changes in class 2 and class 4 are worth £155 million to the unincorporated sector in a full year.

The changes to the main allowances for machinery and plant and for industrial buildings were made last year. At the same time, we announced our intention to make changes this year to other allowances, including the agricultural buildings allowance. When all these changes are in place, the capital allowance system will generally be much more streamlined than before 1984; most assets qualifying for relief will attract allowances either at 25 per cent. on a reducing balance basis if they are machinery or plant, or at 4 per cent. on a straight line basis if they are buildings.

The proposed changes to the agricultural buildings allowance in this year's Finance Bill have to be seen therefore as a part of this pattern of reform. The rate of allowance for expenditure which qualifies for relief will become 4 per cent. straight line so that agricultural buildings will be treated in the same way as industrial buildings from 1 April next year, thus bringing to an end the present distortion between them in the tax system. I stress the word distortion because, before this change, industrial buildings were on a slightly better system than agricultural buildings. Both will now be on a 25 year or a 4 per cent. straight line. Industrial buildings move from six years to 25 and agricultural buildings from approximately eight years to 25.

Many buildings qualifying for the agricultural buildings allowance have long life spans so that for them relief for construction costs over a 25-year period—which is what an annual allowance of 4 per cent. straight line means — will represent a reasonable rate of relief for tax. However, I recognise, as right hon. and hon. Members have said, that this is not the whole story.

11.15 pm

Some specialist agricultural buildings, such as some kinds of farrowing houses used in pig breeding, are regarded in entirety as machinery or plant rather than "buildings" so that the entire cost qualifies at machinery and plant rates of allowance — 25 per cent. on a reducing balance basis. This writes off their cost for tax to a residual 10 per cent. over eight years. In other buildings, such as milking parlours and glasshouses, a significant part of the cost of the building may be attributed to fixtures which are also treated as machinery or plant. In either case, the building or part of it could also benefit from the new rules for short-life assets which are being introduced by clause 55, as the right hon. Member for South Down appreciates.

It has been put to us that some modern purpose-built agricultural buildings do not qualify as machinery or plant and have working lives that are very much shorter than the average. For these buildings, it is said, an annual allowance of 4 per cent. on a straight line basis is unfair; and the unfairness — this is an important point — is compounded by the absence of rules which would at least permit balancing allowances to be made when the building is sold or scrapped.

We recognise the strength of this argument. It is indeed an unusual feature of the agricultural buildings allowance that as the rules now stand, and unlike the industrial buildings allowance, balancing adjustments on the sale or destruction of an agricultural building are not possible. This has always been the case but the matter naturally assumes greater importance against the background of a longer writing-off period for tax.

Accordingly we have already set in hand a detailed review of the present agricultural buildings allowance rules so that we can consider the most appropriate ways in which the code might be restructured. How to introduce a system of balancing adjustments will be central to that review.

I know that the right hon. Member for South Down, his colleagues and my hon. Friend the Member for Tatton (Mr. Hamilton) will be pleased when I say that it is our

intention to include proposals for restructuring the allowance, to include balancing adjustments in next year's Finance Bill, with a starting date of 1 April 1986 to coincide with the date on which the annual allowance becomes 4 per cent. I shall consider carefully the particular points that have been made in the debate.

The effect of these three amendments would be to put back the starting date for the new rate of allowance by three years either for all taxpayers — incorporated and unincorporated alike — or, alternatively, possibly only for the unincorporated. It is not absolutely clear from the way in which the amendments are drafted whether they are intended to stand as a whole or whether they are alternatives.

A deferral of the new rates of agricultural buildings allowance for all taxpayers, that is companies, partnerships and individuals alike, would clearly be welcomed by those likely to benefit. However, such a deferral would be difficult both to explain and to justify to taxpayers whose capital investment is in other types of buildings such as industrial structures and hotels, for which initial allowances will have been phased out by 1 April 1986 and which will thereafter attract only the same annual allowance — 4 per cent. — as is proposed for agricultural buildings. Equally the changes to the allowances for plant and machinery, which we are making over a three-year period, will be completed next April.

Mr. Teddy Taylor (Southend, East): As my hon. Friend has made a significant concession for next year for shorter life agricultural buildings, does he plan any comparable concession for short-life buildings in any other industries, particularly bearing in mind that agricultural buildings are the only ones that do not bear any rate liability?

Mr. Moore: My hon. Friend misunderstood. I was drawing attention to the absence under the present agricultural buildings allowance system of a set of balancing charges, in contradistinction to the existing balancing charges on industrial buildings.

What I was saying was that the agricultural building allowances being put on all fours merited clear consideration in advance of the review, and it seemed to me to be right that that be included in the changes taking place next year. They will not be treated advantageously in relation to industrial buildings. It would give them the same opportunity, because obviously the relevance of the change from eight to 25 years is significant in the need for such buildings to have such balancing charges.

If, on the other hand, what is intended in the alternative is a deferral for income taxpayers only — and this was raised by my hon. Friend the Member for Tatton — it is difficult to see how the exclusion of company taxpayers from such a deferral can be justified. The case for a general reform of the capital allowances which we explained in detail to the House last year — in essence making the commercial assessment of business investment more important than the tax assessment — is as valid for the unincorporated sector as it is for the incorporated. While it is true that rates of income tax are not being reduced in the same way as rates of corporation tax, we have taken a significant number of important steps to help the self-employed, some of which I have already mentioned.

Farmers carrying on their businesses as individuals or in partnership would benefit, as would the private landowner who invests capital in buildings on agricultural or forestry land. But companies carry on similar activities and also claim the agricultural buildings allowance and would have every right to feel unfairly treated.

We have looked at the matter most carefully in the light of the comments and other representations which we have received since our intentions were announced last year. We think it right, however, to proceed as planned and, in this year's Finance Bill, bring the rate of this allowance into line with the other buildings allowance with effect from 1 April next year. At the same time, we also think it right to proceed with a thorough examination of the structure of the agricultural buildings allowance so that changes which bring the rules of the present allowance also more into line with the other buildings allowances and, in particular, provide for balancing adjustments, may be introduced in next year's Bill. On that basis I urge the right hon. Gentleman to withdraw his amendment. I hope he understands the points I have made.

Mr. J. Enoch Powell: It was certainly necessary that the impact of these changes upon the agricultural industry, and particularly upon some parts of it, should have been openly debated during the debate on this Finance Bill, especially as that did not happen at the Committee stage. I recognise that the form of the amendments, framed to raise the whole question, was not in itself wholly satisfactory, partly because it went for a deferment rather than for any other remedy, and also because it was unable to distinguish between one section of the industry and another. For instance, it does not distinguish between the incorporated and the non-company sector of the industry.

The result has been that it has drawn from the Government not only a recognition of the problems which the industry undergoes in making the transition from one approach to another, to capital allowances and capital taxation, but also the important statement that the Minister has made about the review of balancing charges in the context of agricultural buildings. That has been more than sufficient to justify the debate. On that basis, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 61

ALLOWANCES FOR CAPITAL EXPENDITURE ON SCIENTIFIC RESEARCH

Amendment made: No. 42, in page 58, line 8, leave out 'a building' and insert 'or of machinery or plant which forms part of a building or other structure'.—*[Mr. Ian Stewart.]*

Clause 65

MODIFICATION OF INDEXATION ALLOWANCE

Amendment made: No. 43, in page 62, line 10, leave out from 'Act' to 'on' and insert—

(a) shall not have effect with respect to disposals of gilt-edged securities as defined in Schedule 2 to the Capital Gains Tax Act 1979 or qualifying corporate bonds as defined in section 64 of the Finance Act 1984; and

(b) shall have effect with respect to disposals of other securities.'.—*[Mr. Ian Stewart.]*

Mr. Ian Stewart: I beg to move amendment No. 131, in page 62, line 19, leave out 'and'.

Mr. Deputy Speaker: With this it will be convenient also to take Government amendments Nos. 132 and 133.

Dr. McDonald: I intend to speak mainly to the amendments which have been grouped with amendment No. 131. The amendments were tabled on 4 July—only last Thursday — and that in itself is extremely interesting.

Dr. Marek: The Minister has chosen a rather sly way of getting out of defending his amendments. Amendment No. 131 is rather trivial, but No. 133 is a substantive amendment. I had expected the hon. Gentleman to tell us about its effect before we discussed it.

Dr. McDonald: I am grateful to my hon. Friend. That is why I wanted to make it clear that I intended to discuss the whole of the Chairman's selection. The amendments were tabled quite recently, and that is interesting, because they make significant changes in the capital gains tax regime.

Companies were able to pool their shares—indeed, they still are—and under the pooling arrangements all purchases of shares in other companies were pooled to produce an average acquisition cost. If, for example, we talk about Fred Bloggs Investments Ltd. and assume that 1,000 ICI shares were bought at £1 each in 1967 and another 1,000 at £10 each in 1984, the acquisition cost under the pooling arrangements could be averaged out at £5·50.

This group of amendments allows companies to have a choice. Companies will be able to revoke the pooling election — formerly, companies preferred that, even though it might have meant that they paid more tax, because it simplified book keeping arrangements. The reason why they might want to revoke the pooling election, despite the administrative convenience and so on, is that they can go for a last in, first out arrangement under later amendments, in which case they will be able to sell off the most expensive shares first.

This group of amendments seems enormously to advantage companies in terms of capital gains tax, and they have been tabled rather late in the day. We know from the Red Book that the Government expected to get £720 million from capital gains tax this year. If these changes are advantageous to companies in the way in which I have described, that amount could well be reduced, and we want to know how much these changes will cost and why the Government have introduced them at this late stage.

I repeat that the amendments were tabled on 4 July. Why were we not given an opportunity to discuss them in Committee, when we would have had tine to consider them in great detail, instead of having to discuss what seem to be quite significant changes at half-past 11 at night?

It will be interesting to hear the Minister's answers to all these questions.

Mr. Ian Stewart: I am happy to respond to the hon. Lady. The only reason why I did not deal with the amendments at greater length was that she had told me beforehand that she wanted to raise a number of questions and it seemed more sensible to explain the amendments in more detail after she had spoken.

The substance of the changes recently announced come in a later group of amendments, Government amendments 165 to 168, which I am not dealing with now but which my right hon. and learned Friend the Chief Secretary will deal with in a moment.

Government amendments Nos. 131 to 135 deal with the technical side of the implementation. They involve additional parts of the schedule, which deal with two aspects of the reforms, and they were not included in the Bill so that discussions could take place with the representative bodies of those concerned. The first part of the two provisions relates to the rule for parallel pooling, which was introduced for companies in 1983 to facilitate the application of computer programmes to large portfolios. The way in which the companies now hold their portfolios under those arrangements are not in a form to which the new arrangements could be applied.

11.30 pm

As the hon. Lady knows, the system of parallel pooling involves two pools—one with the actual cost, and the other with the index cost. The comparison between the two will enable the indexed gain to be calculated. The new system, which could be called consecutive pooling, will have a pool of pre-1982 holdings and one of post-1982 holdings. They will be updated for each transaction. Two provisions are being introduced to meet that.

The first provision will allow those who have elected for parallel pooling to revoke that election, and we understand that most companies would wish to do that. For those who do not, a statutory instrument will be issued detailing how the parallel pools can be converted into the correct form. We shall have further discussions of the details with those concerned.

The second provision relates to the application of the new indexation provisions to underwriters' premiums trust funds. Hitherto, because indexation has not applied to the first 12 months of any asset holding, indexation relief has not been due on the premiums trust fund. Under the special statutory provisions the securities in those trust funds are treated as disposed of and reacquired at the end of each calendar year accounting period. Now that the indexation provisions apply to the first year of ownership, the amendment secures that with the necessary modifications, indexation relief could be given in calculating the gains arising on the assets in those trust funds.

The provisions are purely technical, and I commend them to the House.

Dr. McDonald: The Economic Secretary referred to discussions with the representative bodies of those concerned. He should tell the House exactly who he means by that. I notice that he has still not answered the question about costs.

Mr. Stewart: There is no cost involved in the implementation of the arrangements. Those concerned are mostly insurance companies and large companies which hold pools of investment shares. Further discussion is needed because the arrangements for the new consecutive pooling involve changes in computer arrangements. As soon as that has been sorted out with the companies, the provisions can be published in a statutory instrument.

Dr. McDonald: The Economic Secretary has still not named the bodies with whom discussions took place, and we want those names. Secondly, is he saying that the changes have no revenue impact? I remind the House that the amendments must ultimately be linked with

amendments Nos. 165 to 168. Therefore, what is the revenue impact of the changes together with the later amendments?

Mr. Stewart: I have already explained that discussions took place with insurance companies and most of the life offices associations. The cost of the changes does not arise on these technical arrangements. My right hon. and learned Friend the Chief Secretary, who will deal with Government amendments Nos. 165 to 168, which are the substantive ones, will answer questions about the substantive changes. These are technical, not substantive provisions.

Amendment agreed to.

Amendment made: No. 132, in page 62, line 22, at end insert—

'*(d)* Part V has effect with respect to securities in respect of which elections have been or could be made under Schedule 6 to the Finance Act 1983; and

(e) Part VI contains consequential provisions relating to assets forming part of a premiums trust fund'. — *[Mr. Ian Stewart.]*

Sir William Clark: I beg to move amendment No. 156, in page 62, line 31, at end insert—

'(4A) In applying subsection (4) above if the asset is disposed of by a company B to whom it was transferred directly or indirectly by another company A, within section 273 Taxes Act 1970, then if A held the asset at 31st March 1982 B shall be entitled to be treated as if it B had held the asset at 31st March 1982.'.

Mr. Deputy Speaker: With this it well be convenient to discuss Government amendment No. 130.

Sir William Clark: The House will recollect that where a person disposes of shares after April 1985, indexation will start from April 1982 under the new indexation rules. The amendment relates to indexation only and has nothing to do with the eventual capital gain on the share or asset.

Sometimes assets are transferred within a group of companies and the purpose of the amendment is to allow the asset, wherever it is in the group, to enjoy indexation. The amendment is simpler than Government amendment No. 130 and it is unusual for a Back Bench Member to move an amendment and to have the Government tagging on behind. However, I am grateful to my right hon. and learned Friend the Chief Secretary to the Treasury for taking the point. The Government's amendment is more complicated but it deals with the problem more comprehensively, which I welcome.

Mr. Peter Rees: My hon. Friend the Member for Croydon, South (Sir W. Clark) has identified a problem and he and my hon. Friend the Member for Tatton (Mr. Hamilton) have sought to meet it by means of the amendment. Government amendment No. 130 identifies the problem and goes slightly wider in tackling it.

My hon. Friend the Member for Croydon, South has referred to transfers within a group of companies, but there are other no-gain, no-loss transfers where the same problems arise. These include company reconstructions or amalgamations and transfers between husband and wife. There are such arcane matters as transfers by the marketing board that deals with hops. The House will be moved when it hears that the problem can arise for a local constituency association after a redrawing of boundaries.

I pay tribute to my hon Friends the Members for Croydon, South and for Tatton for having identified the problem in their amendment but I hope that they and the House will feel, on reflection, that it is better that it should be dealt with comprehensively, which is the purpose and intention of the Government amendment.

Dr. McDonald: The Chief Secretary has rightly said that Government amendment No. 130 goes wider than amendment No. 156. The hon. Member for Croydon, South (Sir W. Clark) has suggested that the amendment has nothing to do with indexation but I shall describe the effect of the amendment as I understand it. If a group of companies can switch assets around within the group it will not pay capital gains tax. However, when the last company in the group sells the asset outside the group, the acquisition cost will be the cost to the first company in the group. If the amendment were accepted, the last company in the group would be able to claim the indexation allowance against the cost to the first company which bought the shares or asset. We see no reason for agreeing to such an amendment.

The Chief Secretary will remember that when we discussed the abolition of stamp duty on voluntary dispositions in Committee we emphasised how the Government have been busily dismantling capital transfer tax. Indeed, that had been done to such an extent that the Institute of Fiscal Studies — which, as hon. Members know, is an independent research group — produced an article in August last year entitled "CTT Adieu", and that would be even more true of this year's Finance Bill. When we were discussing that, my hon. Friend the Member for Birmingham, Hodge Hill (Mr. Davis) pointed out that one way of avoiding what remains of the CTT charge is to make lifetime gifts, and that the Government have made this easier by the introduction of the CGT holdover relief.

If a rich man gives some shares to his son in 1985, the object being to reduce his eventual CTT liability, and they make a CGT holdover election, no charge to CGT will arise, but the son will be deemed to have acquired the shares at the price originally paid by the father. The effect of amendment No. 130, in terms of that example, is to allow the son, when he sells the shares, to claim indexation allowances calculated from the time when the father paid the shares, or from 1982, if that was later.

Given that example, which seems to follow from the Government tabling amendment No. 130, how much will it cost and how many people will benefit from that kind of change? We have figures of the number of capital gains tax payers with whom the Inland Revenue deals. I am here referring to individuals and not, of course, to companies. How many rich individuals are likely to benefit from that kind of change, and how much will it cost? What possible justification have the Government for introducing such an amendment? Why is it that at this stage in the Finance Bill the Government appear to be introducing a series of amendments to capital gains tax which, if taken together — we cannot, of course, discus them in total — seem to lighten the burden of capital gains tax still further?

Sir William Clark: The Chief Secretary is right in saying that the Government's amendment is far wider and far more equitable than the one tabled by my hon. Friend the Member for Tatton (Mr. Hamilton) and myself. In view of that, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendments made: No. 130, in page 63, line 4, at end insert—

[Sir William Clark]

'(6A) Subsection (6B) below applies to a disposal of an asset which is not a no gain/no loss disposal, if—

(a) the person making the disposal acquired the asset after 31st March 1982; and

(b) the disposal by which he acquired the asset and any previous disposal of the asset after 31st March 1982 was a no gain/no loss disposal;

and for the purposes of this subsection a no gain/no loss disposal is one on which, by virtue of section 267 or section 273 of the Taxes Act, section 44 of the Capital Gains Tax Act 1979, section 148 of the Finance Act 1982 or section 7(4) of the Finance (No. 2) Act 1983, neither a gain nor a loss accrues to the person making the disposal.

(6B) Where this subsection applies to a disposal—

(a) the person making the disposal shall be treated for the purpose referred to in subsection (4) above as having held the asset on 31st March 1982; and

(b) for the purpose of determining any gain or loss on the disposal, the consideration which, apart from this subsection, that person would be treated as having given for the asset shall be taken to be reduced by deducting therefrom any indexation allowance brought into account by virtue of Part I of Schedule 13 to the Finance Act 1982 on any disposal falling within subsection (6A)*(b)* above.'.

No. 44, in page 63, line 7, leave out from 'include' to 'relevant' in line 8.—*Mr. Peter Rees.]*

Schedule 17

INDEXATION

Amendment proposed: No. 164, in page 152, line 11, leave out 'following that'.—*[Mr. Peter Rees.]*

Mr. Deputy Speaker: With this it will be convenient to take the following amendments:

Government amendments Nos. 165 to 167.

No. 169, in page 159, line 11, leave out from 'a' to 'of' in line 13 and insert

'new holding, within the meaning of Part III of this Schedule rather than with securities forming part of a 1982 holding, within the meaning of Part II'.

and Government Amendment No. 168.

Dr. McDonald: I am glad to have the opportunity to speak to amendment No. 164. I noticed that the Chief Secretary carefully avoided answering any of the questions which were raised on the last group of amendments, so some of the same questions have to be pressed on this group of amendments. This group—I refer particularly to Government amendments Nos. 164 to 168—were tabled even later than the ones that we have already debated. They were tabled on Monday, 8 July—very late indeed—and they constitute a change in the Finance Bill as originally published. The amendments alter the arrangements that were made for the basis of indexation of capital gains tax. It shows that the Government changed their minds at a very late stage between publication of the original Bill and these amendments. Instead of basing the indexation of a group of shares or assets on the principle of first in, first out, the Government have substituted the principle of last in, first out, thus reducing the liability to capital gains tax.

11.45 pm

For example, under the original Finance Bill, shares were to be identified on a first in, first out, basis. The amendments change the rules to a last in, first out basis. Almost always this will benefit the taxpayer. If, to use again the example of Mr. Jones, he bought 1,000 ICI shares in 1975 at £5 each—£5,000—and 1,000 ICI shares in 1983 at £10 each—£10,000—and if he sold 1,000 ICI shares in 1985 at £12 each he gained £12,000. On the first in, first out basis he gains £12,000 less £5,000. The basis for tax liability is £7,000. On the last in, first out basis he gains £12,000, less £10,000. The basis for tax liability is therefore £2,000.

We want to know why the Government changed their mind. At the last moment did they decide to cave in to their City friends and change the basis? How much will this cost? How can the Government justify such a cost when they were unable last night to find the quite small amount of money that would be necessary to alter the tax regime that they now wish to impose upon the workplace nurseries?

The Chief Secretary to the Treasury is on record as saying that he is opposed to capital taxation. He has been unable to abolish it. Instead, the process of reducing it goes on year after year. This is another example, which was introduced at a very late stage. Both he and his right hon. Friends chip away at capital taxation until it is hardly worth collecting. Instead of death for capital taxation by a thousand cuts it is death by a thousand reliefs. I am sure that the Chief Secretary is pleased about that. The Opposition are not at all pleased about it.

We do not think that there should be this imbalance, which we have commented upon time and time again, between the burden of taxation on capital and the burden of taxation on taxpayers, especially those whose incomes are particularly low. The burden of taxation on those with below average incomes has increased during the last six years, while the burden of capital taxation has decreased. Capital gains tax has dropped to less than 1 per cent. of total revenue. One concession after another has been made. This set of concessions has been made at an extremely late stage. The result will be that only the rich will benefit. We want the Chief Secretary to tell us how many people are involved, how much it will cost and what justification can possibly be produced for caving in to the City.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): The hon. Member for Thurrock (Dr. McDonald) accuses the Government of having caved in to their rich friends. I tabled an amendment on this matter and the hon. Lady may be right to say that the Government amendments, which I regard as being as satisfactory as mine, were tabled late in the day. The difficulty is that capital gains tax is so complicated that it takes time to work out the problems involved.

We are seeking to help not a few rich individuals, but the insurance companies, life offices, investment trusts and trade union pension funds in the City that all have large core holdings. If we had left the situation as it was, there would have been an aggregation of costs and profits and, under the FIFO method, £200,000 of capital gains tax could be paid when no overall capital gain had been made. Therefore, the funds of pension funds would have been diminished.

In addition, once an investment company had bought a holding it would never wish to deal in the share, because there would be a financial distortion. Surely it is good for the country that the change has been made. Eating up in tax the benefits going to trade union pension funds and others would have been a great folly. The country is not the net loser. The losers would have been the beneficiaries

of funds; they are not a few rich individuals, but hundreds of thousands of people who get the benefit of expert advice.

The Government should be congratulated on seeing the wisdom of the argument, not criticised for changing what would have been a damaging provision.

Mr. Peter Rees: We have been congratulated by one side of the House and condemned by the other. It would be wearisome if I deployed at length the Government's views on capital taxation, but the hollowness of the case of the hon. Member for Thurrock (Dr. McDonald) was demonstrated when she talked of death by a thousand reliefs; I have never heard of anyone dying from an excess of reliefs.

We are people of warm hearts who are endeavouring to do justice in a complex matter. The hon. Member for Thurrock does not recognise that, with the impact of inflation over the years, capital gains tax has become, to a considerable extent, a capital levy. It has not been creaming off real profits. All too often, it has been cutting into the core holdings of institutions.

I emphasise that the change does not benefit what the hon. Member for Thurrock chooses to call the rich friends of the Tory party. It covers the institutions, through which many of our fellow countrymen who could never be described as rich save for themselves, their families and their old age.

The change was pressed on us between the Committee and Report stages. I do not apologise for the fact that we had to table the amendments rather late. They include complex provisions and it was necessary to work out the details and get them right. The justification for our proposals was clearly deployed by my hon. Friend the Member for Birmingham, Selly Oak (Mr. Beaumont-Dark).

The Bill originally included the first in, first out rule, which was the general identification rule from 1965 to 1982. We thought that as people were familiar with the admittedly slightly complex rule, it was worth perpetuating it in the new situation created by the indexation provisions in the Bill. However, it was represented very strongly to us at the end of the Committee debate that this would create a distortion in the operations not just of private individuals but of institutions. It would provide, so to speak, a clog on the market. People would be disinclined to have their stocks and shares turned over in the way that market circumstances would normally have dictated. We thought it right, therefore, to eliminate that distortion by introducing the last in, first out rule.

The hon. Member for Thurrock asked me perfectly properly how many people will be affected. I cannot tell her. *[Interruption.]* We all know the bonhomie of the hon. Member for Workington (Mr. Campbell-Savours). The hon. Gentleman might reflect on the utter impossibility of knowing the composition of the portfolios of the institutions of the country, let alone of individuals. If he and the hon. Member for Thurrock reflected for a moment, they would recognise the utter impossibility of my giving the numbers likely to be affected.

Mr. Campbell-Savours: What about last year's bond washing.

Mr. Peter Rees: I think that I would be out of order if I were to debate bond washing. The hon. Gentleman, who intervenes regularly from a sedentary position, might recognise that this year the Government have devoted considerable legislative time—with, I had hoped, the approval of the Opposition—to bringing bond washing with the charge to tax. I should have thought that the hon. Gentleman might recongise that fact, but maybe he has his own motives for contributing in his own particular way.

The hon. Member for Thurrock, again properly, asked me what the cost would be. Once more, it is impossible for me to say, but it is likely to be negligible. It is likely that there will be more disposals although, because of the indexation provisions and the application of the last in, first out rule, the charge on each disposal is likely to be less. However, as there will probably be a larger number of transactions, the ultimate overall quantum of capital gains tax should be about the same. I have to admit quite candidly that that it is absolute assumption. It is, I hope, an informed guess.

I apologise for not having dealt with that point in the last case. Again, it would have been impossible for me to put forward a figure because the basic data are not available—that is, the number of transactions which have been on the no gain, no loss basis which would have preceded the ultimate transaction, subject to capital gains tax. Much as I would have liked to give the figure, it would not have been realistic for me to do so.

In this case, as I said—and I am sure that the hon. Lady will understand how I have approached the problem—there is likely to be a greater turnover of the securities, but, admittedly, at a lesser charge to capital gains tax, to corporation tax or chargeable gains. None the less, I hope that the actual amount of revenue collected by Government would not be seriously affected. I therefore hope that the House will feel able to accept the amendments.

If I may deal briefly with amendment 164, which is of a slightly different quality, this is a technical amendment to bring the treatment of shares and other securities into line for the purposes of applying the 10-day rule. Due to slight drafting defects, some were on an 11-day basis and some on a 10-day basis, and the amendment is to harmonise them on a 10-day basis.

I hope that all the amendments will, therefore, find favour with the House.

Dr. McDonald: I should like to explain why the Opposition wish to call a vote on this amendment. The Chief Secretary says that these general identification rules have not been changed since 1965, yet inexplicably changes in the identification rules were introduced after the Bill was published on 8 July. The Chief Secretary has not told the House why that was done at such a late stage, from whom the representations came or how many individuals will be affected by the changes. The Inland Revenue, of course, knows how many individuals it deals with who have directly to pay capital gains tax. I take the Chief Secretary's point about the number of individuals who might indirectly be affected by the proposals.

Somewhat misleadingly, the Minister talked about institutions, but pension funds should be exempted. He said that the costs were negligible, but he does not know the cost of the changes.

The Government expect to gain £720 million from capital gains tax this year. The Opposition will watch closely to see how much the Government gain. Because of the lack of answers, the lateness of the changes and our

[Dr. McDonald]

belief that rich people are likely to benefit more than the many whom we represent, we intend to vote against the amendment.

12 midnight

Mr. Tim Smith: I was surprised that the Government should introduce the amendment at such a late stage, but it is important to get the new arrangements for capital gains tax on to a sensible footing. The amendments fall into the same category as one which we discussed yesterday. Although a relief is being introduced, the revenue consequences might be neutral or even beneficial.

It has become clear that the market might become clogged up. Capital gains tax is only payable when an individual makes a disposal. On the basis of last in, first out, rather than first in, first out, there will be no inhibition, so the revenue effects will not be as dramatic as the hon. Member for Thurrock (Dr. McDonald) suggests.

The hon. Lady said that pension funds were exempt from capital gains tax. That is true, but the insurance companies were, understandably, particularly worried.

The revenue from the bond washing provisions is to be £300 million in a full year and insurance will have to stump up a large proportion of that.

The hon. Lady will know that the insurance companies will lose as a result of the change which the House approved yesterday — the abolition of the short-term capital gains tax on gilts—because they will no longer be able to set off their losses against their equity gains. It is right that the Government should examine, even at this late stage, the strong representations by insurance companies. I do not think that the effect will be as damaging as the hon. Lady suggests, so I support the changes.

Dr. Marek: We should vote against the amendment, because we have not had time to study the proposals. The insurance companies should have made their representations earlier so that the proposals could be discussed properly in Committee. It is important to vote on the issue.

Question put, That the amendment be made:—

The House divided: Ayes 114, Noes 23.

Division No. 270] **[12.02 am**

AYES

Alexander, Richard
Amess, David
Ancram, Michael
Ashby, David
Aspinwall, Jack
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Hon Peter
Browne, John
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Chalker, Mrs Lynda
Clark, Sir W. *(Croydon S)*
Clegg, Sir Walter
Cope, John
Corrie, John
Currie, Mrs Edwina
Dorrell, Stephen
Dover, Den
du Cann, Rt Hon Sir Edward
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Fenner, Mrs Peggy
Forman, Nigel
Forth, Eric
Fraser, Peter *(Angus East)*
Freeman, Roger
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Garel-Jones, Tristan
Goodlad, Alastair
Gow, Ian
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Hamilton, Neil *(Tatton)*
Havers, Rt Hon Sir Michael
Hawksley, Warren
Hayhoe, Rt Hon Barney
Henderson, Barry
Hirst, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Hunt, David *(Wirral)*
Jopling, Rt Hon Michael
Lang, Ian
Lawson, Rt Hon Nigel
Lilley, Peter
Lloyd, Ian *(Havant)*
Lord, Michael
McCurley, Mrs Anna
MacKay, John *(Argyll & Bute)*
Maclean, David John
Major, John
Mather, Carol
Maude, Hon Francis
Maxwell-Hyslop, Robin
Merchant, Piers
Miller, Hal *(B'grove)*
Moore, John
Murphy, Christopher
Nicholson, J.
Osborn, Sir John
Pattie, Geoffrey
Percival, Rt Hon Sir Ian
Powell, Rt Hon J. E. *(S Down)*
Proctor, K. Harvey
Rees, Rt Hon Peter *(Dover)*
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Shaw, Sir Michael *(Scarb')*
Shepherd, Colin *(Hereford)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speller, Tony
Spencer, Derek
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Tracey, Richard
Viggers, Peter
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Cecil *(Belfast N)*
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Wheeler, John
Whitney, Raymond
Wilkinson, John
Wood, Timothy
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Tim Sainsbury and
Mr. Michael Neubert.

NOES

Barron, Kevin
Beith, A. J.
Bermingham, Gerald
Blair, Anthony
Bruce, Malcolm
Cocks, Rt Hon M. *(Bristol S.)*
Cook, Frank *(Stockton North)*
Cowans, Harry
Davis, Terry *(B'ham, H'ge H'l)*
Dixon, Donald
Evans, John *(St. Helens N)*
Hogg, N. *(C'nauld & Kilsyth)*
Kirkwood, Archy
Litherland, Robert
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
McWilliam, John
Maxton, John
Parry, Robert
Penhaligon, David
Prescott, John
Randall, Stuart
Ross, Stephen *(Isle of Wight)*

Tellers for the Noes:
Mr. D. N. Campbell-Savours
and Dr. John Marek.

Question accordingly agreed to.

Amendments made: No. 79, in page 152, leave out line 17 and insert—

'(2) The following provisions of that section shall be omitted—

(a) in subsection (1), the words "and section 89 below" and "section 89 below"; and

(b) subsection (5A).'.

No. 80, in page 152, line 25, leave out from beginning to 'and' in line 26.

No. 81, in page 152, line 30, leave out 'In'.

No. 82, in page 152, line 31, leave out from beginning to end of line 4 on page 153 and insert 'shall be omitted'. *—[Mr. Peter Rees.]*

12.15 am

Mr. Peter Rees: I beg to move amendment No. 134, in page 153, line 29, leave out 'sub-paragraph (2)' and insert 'sub-paragraphs (2) and (3)'.

Mr. Deputy Speaker: With this it will be convenient to take Government amendments Nos. 135 and 136.

Mr. Rees: The purpose of the amendments is to allow taxpayers a fresh opportunity to elect to pool quoted

securities acquired before 6 April 1965 where they have not already done so. This should simplify the capital gains tax still further. I know that the hon. Member for Thurrock (Dr. McDonald) is interested in the questions of cost. The measure is unlikely to have any significance on tax liability. In most cases, the effect will be to spread the gains from pre-1965 securities over a greater number of disposals.

Amendment agreed to.

Amendments made: No. 135, in page 153, line 43, at end insert—

'(3) If a person so elects, quoted securities, as defined in paragraph 8 of Schedule 5 to the Capital Gains Tax Act 1979 (assets held on 6th April 1965) which are covered by the election—

(a) shall be treated as an accretion to an existing 1982 holding or, as the case may be, as constituting a new 1982 holding; and

(b) shall be excluded from paragraph 2 of that Schedule (restriction of gain or loss by reference to actual cost);

and the relevant allowable expenditure (as defined in relation to a disposal to which section 86 of the Finance Act 1982 applies) which is attributable to that 1982 holding shall be adjusted or determined accordingly.

(4) Paragraphs 4 to 8 of the said Schedule 5 (except paragraph 4(1) shall apply in relation to an election under sub-paragraph (3) above as they apply in relation to an election under paragraph 4 of that Schedule, but with the substitution for any reference to 19th March 1968 of a reference to 31st March 1985 in the case of holdings or disposals by companies and 5th April 1985 in any other case.'.

No. 136, in page 154, line 3, leave out 'where paragraph 6(2) above applies' and insert

'if it comes into being by virtue of paragraph 6 above'.—*[Mr. Peter Rees.]*

Mr. Peter Rees: I beg to move amendment No. 83, in page 155, line 3, leave out '6th April 1985' and insert 'the 1985 date'.

Mr. Deputy Speaker: With this it will be convenient to discuss Government amendments Nos. 84 to 89.

Mr. Rees: These amendments make a number of technical drafting changes to the Bill. There is no change of substance.

Dr. McDonald: These amendments are rather more than technical changes. As we are aware, someone can buy a share option—the right to buy shares at a fixed price at some time in the future. The amendments provide an indexation allowance in addition. That will, of course, benefit financial dealers or rich individual investors. It benefits those who can adopt a highly speculative approach to buying shares. The Chief Secretary said that the cost is negligible. We are not convinced of that. He might like to reconsider that point and tell us what the cost will be and confirm that the provision will benefit the few people whom I have described.

Mr. Peter Rees: I cannot speculate about the wealth of the taxpayer whom the amendments might benefit. The hon. Member for Thurrock (Dr. McDonald) is correct when she says that they will enable expenditure upon acquiring a share to be indexed from the date upon which it is incurred, but that is the tenor of the provisions. I am afraid that that is as far as I can take the matter. I cannot calculate how much is involved because one has to make too many assumptions. The best evidence that I have is that it will be negligible.

Amendment agreed to.

Amendments made: No. 84, in page 155, line 12, leave out '6th April 1985' and insert 'the 1985 date'.

No. 85, in page 156, line 20, leave out 'and shall at that time' and insert

'or, if it is earlier, when any of the qualifying expenditure is incurred and shall at the time it comes into being'.

No. 86, in page 158, line 8, at end insert—

'(3) Notwithstanding anything in sub-paragraphs (1) and (2) above, the provisions of this Part of this Schedule do not apply to shares in respect of which relief under Part I of Schedule 5 to the Finance Act 1983 (relief for investment in corporate trades) has been given and not withdrawn.'.

No. 165, in page 158, line 17, leave out 'securities acquired' and insert

'disposals of securities on or'.

No. 166, in page 158, line 21, leave out '19(2)' and insert '19(3)'.

No. 87, in page 158, line 26, after first 'and' insert 'subsequently'.

No. 88, in page 158, line 32, leave out from 'then' to second 'the' in line 33 and insert

'subject to sub-paragraphs (1A) and (1B) below'.

No. 89, in page 158, line 36, at end insert—

'(1A) If, in a case falling within sub-paragraph (1) above, the number of securities acquired exceeds the number disposed of,—

(a) the excess shall be regarded as forming part of an existing new holding or, as the case may be, as constituting a new holding; and

(b) if the securities acquired were acquired at different times (within the ten days referred to in sub-paragraph (1) above) the securities disposed of shall be identified with securities acquired at an earlier time rather than with securities acquired at a later time.

(1B) If, in a case falling within sub-paragraph (1) above, the number of securities disposed of exceeds the number acquired, the excess shall be not identified in accordance with that sub-paragraph.'.

No. 167, in page 159, leave out lines 2 to 9 and insert 'forming part of a new holding, within the meaning of Part III of this Schedule, rather than with other securities'.

No. 168, in page 159, line 12, leave out from 'with' to end of line 13 and insert

'other securities and, subject to that, shall be identified with securities acquired at a later time rather than with securities acquired at an earlier time'.

No. 133, in page 159, line 13 at end insert—

'PART V

PARALLEL POOLING

20.—(1) Where an election has been made under Schedule 6 to the Finance Act 1983 (parallel pooling) that election may be revoked, by notice in writing to the inspector not later than 31st March 1987 or within such further time as the Board may allow.

(2) At the end of paragraph 2(2)*(b)* of the said Schedule 6 (elections to be irrevocable) there shall be added the words "except in accordance with Part V of Schedule 17 to the Finance Act 1985".

(3) All such adjustments shall be made, whether by way of discharge or repayment of tax, or the making of assessments or otherwise, as are required in consequence of a revocation under sub-paragraph (1) above.

21.—(1) An election under Schedule 6 of the Finance Act 1983 shall not have effect with respect to any disposal on or after 1st April 1985.

(2) The Treasury may by regulations make such provisions as are referred to in sub-paragraph (3) below in relation to qualifying securities, within the meaning of the said Schedule 6,—

(a) in respect of which an election under that Schedule has been made and not revoked under paragraph 20 above; and

(b) which, immediately before 1st April 1985, were regarded as indistinguishable parts of a single asset by virtue of paragraph 3 of that Schedule.

[Mr. Peter Rees]

(3) The provisions referred to in sub-paragraph (2) above are such as appear to the Treasury to be appropriate to enable section 65 of this Act and the preceding provisions of this Schedule to take full effect in relation to the securities concerned.

(4) Regulations under this paragraph shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of the Commons House of Parliament.

PART VI

UNDERWRITERS' PREMIUMS TRUST FUNDS

22. This Part of this Schedule has effect with respect to premiums trust funds, within the meaning of Schedule 16 to the Finance Act 1973 (underwriters), and any reference in paragraph 23 below to a fund is a reference to such a premiums trust fund.

23. — (1) Subject to the following provisions of this paragraph, the enactments relating to indexation shall apply with any necessary modifications in relation to assets forming part of a fund as they apply in relation to other assets.

(2) In this paragraph "the enactments relating to indexation" means—

(a) sections 86 to 88 of and Schedule 13 to the Finance Act 1982; and

(b) section 65 of this Act and Parts I to III of this Schedule.

(3) For the purposes of the application of the enactments relating to indexation in accordance with sub-paragraph (1) above, it shall be assumed—

(a) that assets forming part of a fund are disposed of and immediately reacquired on the last day of each accounting period; and

(b) that the indexation allowance computed for that accounting period is allocated to the corresponding underwriting year in the same proportion as the gains or losses referred to in paragraph 6(2) of the said Schedule 16'.—*[Mr. Peter Rees.]*

Clause 66

RELIEF FOR DISPOSALS BY INDIVIDUALS ON RETIREMENT FROM FAMILY BUSINESS

Sir Edward du Cann (Taunton): I beg to move amendment No. 45, in page 63, line 31, at end insert—

"(2) Where an individual who is a partner with his spouse in a business has retired on ill health grounds below the age of 60, and his spouse is thereby compelled to withdraw from the business, such part of the spouse's gains on the withdrawal shall qualify for relief as appears to the Board to be just and reasonable.".

I express my gratitude to Mr. Speaker for selecting the amendment. He has a great and deserved reputation for solicitude for the position of Back Benchers and in selecting this amendment he has demonstrated that qualify yet again.

Any examination of Mr. Speaker's provisional selection of amendments indicates that a total of 120 amendments is to be discussed tonight. No fewer than 100 are Government amendments. Taking into account the amendments proposed by the official Opposition, that indicates very clearly that the result of our present arrangements for dealing with the Finance Bill each year inevitably tends to mean that the point of view of the Back Bencher is being increasingly crowded out. Remembering the undertakings given and the suggestions made in 1967, when our arrangements were changed and Standing Order No. 42 was altered, in particular the suggestion that a more careful examination of the Finance Bill would be possible, it has to be admitted that, in practice, the result has been thoroughly disappointing.

In recent years there has been a tendency to allow the general membership of the House of Commons, if anything, a lesser opportunity to discuss the Finance Bill in detail. It is nearly half past midnight and this is no time to examine statistics in any detail. Taking the first 10 years after the arrangements were changed and examining the number of days available for Report, there were in fact 11 Finance Bills. On six occasions three days were allowed, on two occasions four days, on another occasion two days and on two occasions only one day. The average number of days allowed was three. Since then the average has dropped dramatically to between one and two days.

I repeat that the net result is that the private Member is becoming increasing disfranchised when it comes to an opportunity to test an idea, to propose an amendment or a change, unless it attracts very widespread support. Remembering how unsatisfactory is the general shape of our Committee stage—because opinion is becoming, in my view, absurdly polarised between the parties——

Mr. Deputy Speaker: Order. I hope that the right hon. Gentleman will come to the amendment.

Sir Edward du Cann: I shall come to the amendment immediately, Mr. Deputy Speaker. I am merely saying that it is time that our arrangements for the examination of the Finance Bill were looked into.

There is a new principle in the Bill, in clause 66, which is very much to be welcomed. This allows retirement relief from capital gains tax to be claimed when an individual has to give up his business on grounds of ill health. That is a great step forward, but the arrangements as presently proposed involve a problem, which relates to a problem common in small businesses such as a farm or a shop where a husband and wife jointly own a property and run the business in partnership. If the business has to be sold owing to the ill health of the husband, his part of the gains would qualify for retirement relief, but there would be no relief for the wife's share.

I am advised by the National Farmers Union that it has already seen three cases of husband and wife partnerships, which are common in farming, where one spouse is having to give up on ill health grounds, and it is not practicable to continue the business as before. The matter came to my particular attention because I had a constituency case in a farm just outside Taunton, where a constituent found himself in real difficulties. His wife had had a severe stroke, and the medical report is that she will be unable to take any part in the business in future.

The amendment suggests a discretion to the Inland Revenue in such circumstances to allow reasonable relief to the other spouse. I cannot say whether the form of the amendment will be acceptable to my right hon. and learned Friend the Chief Secretary. To return to my first point, it is a pity that one has not had the chance in Committee to test that, so that there would be an opportunity, if the wording of the amendment is not suitable, to promote something better on Report. I hope that my right hon. and learned Friend will be able to say what his feeling is about the real problem that I have described. If he is unable to accept my wording, I hope that he will be able to suggest that next year my right hon. Friend the Chancellor will be able to introduce such an improvement to clause 66 that will help what is a real difficulty for a number of individuals.

Dr. McDonald: The Opposition are not unsympathetic to the purpose of the amendment. However, if the right hon. Member for Taunton (Sir E. du Cann) is willing to give the Inland Revenue such discretion, and if the Government are willing to accept it in the case of illness that the right hon. Gentleman so well described, could not the Inland Revenue be given the same kind of discretion to give tax relief on work-place nurseries for lone parents or low-paid workers?

Mr. Peter Rees: My right hon. Friend the Member for Taunton (Sir E. du Cann) has clearly identified a problem that I am sure commands sympathy from both sides of the House. It will reassure right hon. and hon. Gentlemen who spoke earlier and said that that was the only time that the particular problems of agriculture had become the subject of debate either in Committee or on Report. Here is a second occasion, although my right hon. Friend would say that the amendment is not confined to agriculture.

We view the problem with sympathy, but the amendment is not satisfactory. The unsatisfactory nature of it could not have been demonstrated more clearly than it was by the speech of the hon. Member for Thurrock (Dr. McDonald). I do not know whether that was her intention, but she demonstrated the inadvisability of giving the Inland Revenue a discretion which, to be fair to it, it would not want to exercise.

I hope that my right hon. Friend will accept what I have to say in the spirit in which it is offered. We should like to keep this problem under review.

I am sure that my right hon. Friend will accept that the precise form of his amendment would not meet the full circumstances of the case. He has, however, identified a problem which we should like to keep under review and I hope that we may come back to it, if not next year at least on some later occasion when we have better evidence about the scope of the problem and how best it should be tackled. I hope he feels that justice has been done to the case which he so ably advaced and he will not feel obliged to press his amendment to a Division.

Sir Edward du Cann: In the light of that very clear undertaking from my right hon. and learned Friend that he will be good enough to keep the matter under review, and that a remedy will be sought and introduced, I am happy to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Schedule 18

RETIREMENT RELIEF ETC.

12.30 am

Mr. Peter Rees: I beg to move amendment No. 91, in page 160, line 46, leave out 'date of the disposal' and insert

'end of the year of assessment in which the disposal occurred'.

Mr. Deputy Speaker (Mr. Harold Walker): With this we may discuss Government amendments Nos. 92, 93 and 95.

Mr. Rees: These amendments are designed to standardise the time limits for the making of claims to reliefs under schedule 18. Various other elections are provided for under that schedule. Both the claim and the elections will now require to be made within two years of the end of the year of assessment in which the event to which the claim or election relates took place. This will simplify administration and I hope it will be welcomed in all parts of the House.

Amendment agreed to.

Amendments made: No. 92, in page 162, line 36, leave out 'disposal concerned' and insert

'end of the year of assessment in which the disposal occurred'.

No. 93, in page 166, line 38, leave out from 'than' to third 'the' in line 39 and insert

'two years after the end of the year of assessment in which the individual or the trustees received the capital distribution'.—*[Mr. Peter Rees.]*

Mr. Peter Rees: I beg to move amendment No. 94, in page 169, line 16, at end insert—

'(4) References in this paragraph to relief given under this Schedule include references to relief given under section 34 of the Finance Act 1965 or section 124 of the Capital Gains Tax Act 1979; and—

(a) in relation to relief given under either of those sections paragraph *(b)* of sub-paragraph (1) above shall have effect as if, for the words from "which was" onwards, there were substituted "made by the individual"; and

(b) in the application of sub-paragraph (3) above where the earlier disposal was a disposal in respect of which relief was given under either of those sections, the reference in paragraph *(a)* to the qualifying period appropriate to the disposal is a reference,—

(i) if the disposal took place on or before 11th April 1978, to the period of ten years ending with the disposal; and

(ii) in any other case, to the qualifying period within the meaning of the section in question.'

Mr. Deputy Speaker: We shall take with this Government amendment No. 96.

Mr. Peter Rees: This amendment takes care of a transitional point which I say candidly we did not have time to prepare and put in for debate in Committee. Schedule 17 contains special rules for applying a ceiling to the amount of retirement relief available on a later disposal when some relief has already been given on an earlier one. The broad intention is to ensure that no individual can get more than the maximum relief, which is up to £100,000 throughout his life.

Amendment 96 is to ensure that a husband or wife who has been working in partnership or in a company and has received shares by way of gift or by inheritance, will get the full relief to which the donor spouse would have been entitled. That relief will be limited to £100,000. I hope that these two amendments will commend themselves to the House.

Amendment agreed to.

Amendments made: No. 95, in page 169, line 34, leave out from '*(e)*' to 'the' in line 35 and insert

'not later than two years after the end of the year of assessment in which the material disposal occurred'.

No. 96, in page 170, line 15, at end insert—

'(5) In sub-paragraph (4)*(a)* above, the reference to relief given under this Schedule includes a reference to relief given under section 34 of the Finance Act 1965 or section 124 of the Capital Gains Tax Act 1979'.—*[Mr. Peter Rees.]*

Clause 68

ASSETS DISPOSED OF IN A SERIES OF TRANSACTIONS

Mr. Michael Stern (Bristol, North-West): I beg to move amendment No. 46, in page 71, line 35, leave out from 'them' to end of line 36.

[Mr. Michael Stern]

The purpose of this amendment is to remove from the draft legislation words which are at best unnecessary and at worst confusing. The substance of the amendment was discussed in Committee and I commend it to the House.

Mr. Peter Rees: I fully agree with my hon. Friend. The amendment was ventilated in Committee and I agree with his analysis. The words are unnecessary and could lead to uncertainty. I am happy to recommend to the House that the amendment should be accepted.

Amendment agreed to.

Clause 71

TREATMENT OF DEEMED SUMS AND RELIEFS

Amendment made: No. 47, in page 75, line 8, leave out second 'as'.—*[Mr. Peter Rees.]*

Clause 72

EXCEPTIONS FROM PROCEDING PROVISIONS

Amendments made: No. 48, in page 76, line 26, after 'period,' insert—

'*(ee)* the transferor is not ordinarily resident in the United Kingdom during the chargeable period in which the transfer occurs and, if he became entitled in the period to any interest on the securities transferred, it would not be liable to income tax by virtue of section 99 of the Taxes Act (securities free of income tax for residents abroad),

(eee) the securities transferred are FOTRA securities, the transferor is not domiciled in the United Kingdom at any time in the chargeable period in which the transfer occurs, and he is either not ordinarily resident in the United Kingdom during that period or a non-resident United Kingdom trader in that period,'.

No. 49, in page 76, line 40, after '*(e)*' insert ', *(ee)*, *(eee)*'.—*[Mr. Peter Rees.]*

No. 50, in page 77, line 22, at end insert—

'(6) For the purposes of this section "FOTRA securities" means securities issued with the condition mentioned in section 22(1) of the Finance (No. 2) Act 1931 (securities free of tax for residents abroad) as modified by virtue of section 60(1) of the Finance Act 1940.'.—*[Mr. Peter Rees.]*

Clause 73

DEEMED INTEREST

Amendment made: No. 126, in page 77, line 25, leave out

'28th February 1985 and 27th February 1986'

and insert 'certain dates'.—*[Mr. Peter Rees.]*

Schedule 20

DEEMED INTEREST ON CERTAIN SECURITIES

Amendments made: No. 97, in page 175, line 3, at end insert—

'(2A) For the purposes of this Schedule a person is to be treated as not entitled to securities if he is not ordinarily resident in the United Kingdom during the year and, if he became entitled in the year to any interest on the securities, it would not be liable to income tax by virtue of section 99 of the Taxes Act (securities free of income tax for residents abroad).

(2B) For the purposes of this Schedule a person who is not domiciled in the United Kingdom at any time in the year, and is either not ordinarily resident in the United Kingdom during the year or a non-resident United Kingdom trader in the year, is to be treated as not entitled to securities which are FOTRA securities.'

No. 98, in page 175, line 36, at end insert—

'(10) For the purposes of this paragraph "FOTRA securities" mean securities issued with the condition mentioned in section 22(1) of the Finance (No. 2) Act 1931 (securities free of tax for residents abroad) as modified by virtue of section 60(1) of the Finance Act 1940.'.

No. 127, in page 175, line 40, leave out 'him' and insert 'the person'.—*[Mr. Peter Rees.]*

Schedule 21

SECURITIES: FURTHER PROVISIONS

Amendments made: No. 99, in page 178, line 5, at end insert—

'(10) Where, in Scotland, two or more persons carry on a trade or business in partnership, any partnership dealings shall be treated as dealings by the partners and not by the firm as such and the partners as being entitled to securities held by the firm.'.

No. 124, in page 178, line 21, after 'months', insert '(a long period)'.

No. 21, in page 178, line 39, leave out sub-paragraph (7) and (8) and insert—

'(7) In the case of a period which is an interest period by virtue only of sub-paragraph (4) above or paragraph 18F(3) below—

(a) the interest applicable to securities for the period is the interest payable on them on the interest payment day with which the long or straddling period concerned ends, and

(b) section 70(8) of this Act shall have effect as if the references to the period were to the long or straddling period concerned.'

No. 100, in page 179, line 27, after '12', insert ', 12A'.

No. 101, in page 181, line 4, at end insert—

'8A.—(1) Sub-paragraph (2) below applies where—

(a) a trustee of a settlementis treated as receiving annual profits or gains under section 71(2) of this Act, or

(b) a trustee of a settlement who is resident or domiciled outside the United Kingdom throughout any chargeable period in which an interest period (or part of it) falls would, at the end of the interest period, have been treated under section 71(2) of this Act as receiving annual profits or gains or annual profits or gains of a greater amount if he had been resident or domiciled in the United Kingdom during a part of each such chargeable period.

(2) Chapters II to IV of Part XVI of the Taxes Act (settlements) shall have effect as if the amount which the trustee is or would be treated as receiving were income (withing Chapter II) or income arising under the settlement (within Chapter III or IV).

(3) Sub-paragraph (4) below applies where income of a trustee of a settlement who is resident or domiciled outside the United Kingdom throughout any chargeable period in which an interest period (or part of it) falls consists of interest which falls due at the end of the interest period and which would have been treated under section 71(5) of this Act as reduced by an allowance or an allowance of a greater amount if he had been resident or domiciled in the United Kingdom during a part of each such chargeable period.

(4) For the purposes of Chapters II of Part XVI of the Taxes Act, the interest shall be treated as being reduced by the amount of the allowance or by the additional amount (as the case may be).

(5) In this paragraph—

(a) "settlement" means settlement within the meaning of Chapter II, III or IV of Part XVI of the Taxes Act (as the case may be), and

(b) references to a trustee of a settlement are, where there is no trustee of the settlement, to any person entitled to securities comprised in the settlement.'

No. 102, in page 183, line 45, at end insert—

'Conversions

12A.—(1) Where there is a conversion of securities the person who was entitled to them immediately before the

conversion shall be treated for the purposes of this Chapter as transferring them on the day of the conversion (if there is no actual transfer).

(2) The transfer shall be treated as made with accrued interest if the person was entitled to receive in respect of the securities interest payable on—

(a) the day of the conversion, if that is an interest payment day, or

(b) the next (or first) interest payment day to fall after the day of the conversion, in any other case,

and they shall be treated as transferred without accrued interest if he was not so entitled.

(3) For the purposes of this Chapter the interest period in which the conversion is made shall be treated as ending on the day on which it would have ended had the conversion not been made.

(4) In this paragraph "conversion" means conversion within the meaning of section 82 of the Capital Gains Tax Act 1979.'.

No. 128, in page 186, line 33, at end insert—

'Underwriters

18A. In paragraphs 18B to 18H below "approved association of underwriters", "business" and "premiums trust fund" have the meanings given by paragraph 16(1) of Schedule 10 to the Taxes Act.

18B. An underwriting member of Lloyd's or of an approved association of underwriters shall be treated for the purposes of this Chapter as absolutely entitled as against the trustees to the securities forming part of his premiums trust fund, his special reserve fund (if any) and any other trust fund required or authorised by the rules of Lloyd's or the association in question, or required by the underwriting agent through whom his business or any part of it is carried on, to be kept in connection with the business.

18C.—(1) In relation to securities forming part of a premiums trust fund, any reference in Schedule 20 to this Act to a date in the first column in sub-paragraph (3) below shall be read as a reference to that opposite it in the second.

(2) Where securities are transferred by or to the trustees of a premiums trust fund, this Chapter (other than Schedule 20) shall be read in relation to the trustees as if any reference to a date in the first column in sub-paragraph (3) below were a reference to that opposite it in the second, but without being so read in relation to the transferee or transferor (unless in turn constituting trustees of such a fund).

(3) The dates are—

28th February 1982	1st January 1982
27th February 1985	31st December 1984
28th February 1985	1st January 1985
27th February 1986	31st December 1985
28th February 1986	1st January 1986.

18D.—(1) The securities forming part of a premiums trust fund at the beginning of 1st January 1986 or 1st January of any subsequent year shall be treated for the purposes of this Chapter as transferred on 1st January concerned to the trustees of the fund.

(2) In relation to such a transfer, the settlement day is the day preceding that of the transfer (notwithstanding paragraph 4 above).

(3) The securities shall be treated as transferred with accrued interest if the trustees are entitled to receive in respect of them interest payable on—

(a) the day of the transfer, if that is an interest payment day, or

(b) the next (or first) interest payment day to fall after that day, in any other case,

and they shall be treated as transferred without accrued interest if they are not so entitled.

(4) This paragraph does not apply as regards securities if the day preceding 1st January concerned is an interest payment day in relation to them.

18E.—(1) The securities forming part of a premiums trust fund at the end of 31st December 1986 or 31st December of any subsequent year shall be treated for the purposes of this Chapter as transferred on 31st December concerned by the trustees of the fund.

(2) In relation to such a transfer, the settlement day is the day of the transfer (notwithstanding paragraph 4 above).

(3) The securities shall be treated as transferred with accrued interest if the trustees were entitled to receive in respect of them interest payable on the next (or first) interest payment day to fall after the day of the transfer, and they shall be treated as transferred without accrued interest if they were not so entitled.

(4) This paragraph does not apply as regards securities if 31st December concerned is an interest payment day in relation to them.

18F.—(1) Where securities are transferred by or to the trustees of a premium trust fund, this paragraph shall have effect in relation to the trustees, though not in relation to the transferee or transferor (unless in turn constituting trustees of such a fund).

(2) In this paragraph "straddling period" means a period which would (by virtue of paragraph 3(3) and (4) above and apart from this paragraph) be in relation to the securities an interest period beginning on or before and ending after 31st December 1986 or 31st December of any subsequent year.

(3) For the purposes of this Chapter a straddling period is not an interest period, but the following shall apply to it—

(a) the period beginning with the day on which the straddling period begins and ending with 31st December concerned is an interest period, and

(b) the period beginning with the day following 31st December concerned and ending with the day with which the straddling period ends is an interest period.

18G.—(1) Paragraph 11 above does not apply where the individual concerned is an underwriting member of Lloyd's or of an approved association of underwriters and the securities concerned form part of a premiums trust fund, a special reserve fund or any other trust fund required or authorised by the rules of Lloyd's or the association in question, or required by the underwriting agent through whom the individual's business or any part of it is carried on, to be kept in connection with the business.

(2) In such a case the deceased's personal representatives shall be treated for the purposes of this Chapter as the transferor or transferee in relation to transfers of securities as to which the deceased was the transferor or transferee (as the case may be) in the interest period in which he died.

18H.—(1) This paragraph applies where an underwriting member of Lloyd's or of an approved association of underwriters is entitled to securities forming part of a premiums trust fund or to different securities forming part of different premiums trust funds.

(2) Where there is one such fund, he shall be treated for the purposes of Schedule 20 to this Act as holding the securities forming part of it as one person and as holding as another person any other securities to which he is entitled.

(3) Where there is more than one such fund, he shall be treated for those purposes as holding the securities forming part of different funds as different persons and as holding as yet another person any other securities (not forming part of such a fund) to which he is entitled.

(4) In relation to the securities forming part of such a fund, four of the references in Schedule 20 to this Act to a person (where they would otherwise be to the member) shall be read as references to the underwriting agent through whom the business to which the fund relates is carried on; and the four references are the reference in paragraph 2(1), the first two in paragraph 6(1) and the first in paragraph 6(2).

(5) Where an underwriting member of Lloyd's or of an approved association of underwriters is entitled to securities forming part of a premiums trust fund, and different securities are attributable to his participation in different syndicates, the securities attributable to different syndicates shall be treated for the purposes of this paragraph as forming part of different premiums trust funds.

18I. In paragraph 7(3)*(a)* of Schedule 10 to the Taxes Act (special reserve funds) "income" includes annual profits or gains chargeable to tax by virtue of section 71(2) of this Act or paragraph 2(4) of Schedule 20 to this Act or paragraph 13(3) above.'.

No. 103, in page 189, line 38, at end insert—

'23A. — (1) In this paragraph "conversion" means conversion within the meaning of section 82 of the Capital Gains Tax Act 1979, and "exchange" means an exchange which by virtue of Chapter II of Part IV of that Act (reorganisation etc.) does not involve a disposal.

(2) Where on a conversion or exchange of securities a person is treated as entitled to a sum under section 70(2)*(a)* of this Act,

[Mr. Peter Rees]

an amount equal to the accrued amount (determined under that section) shall, for capital gains tax purposes, be treated as follows —

(a) to the extent that it does not exceed the amount of any consideration which the person receives (or is deemed to receive) or becomes entitled to receive on the conversion or exchange (other than his new holding), it shall be treated as reducing that consideration, and

(b) to the extent that it does exceed that amount, it shall be treated as consideration which the person gives on the conversion or exchange.

(3) Where on a conversion or exchange of securities a person is treated as entitled to relief under section 70(3)*(a)* of this Act, an amount equal to the rebate amount (determined under that section) shall, for capital gains tax purposes, be treated as consideration which the person receives on the conversion or exchange.'.—*[Mr. Peter Rees.]*

Clause 78

GIFTS INTER VIVOS

Amendment made: No. 51, in page 83, line 8, leave out 'below to contain a certificate'

and insert

'or (2) below to be certified'.—*[Mr. Ian Stewart.]*

Clause 80

DEATH: VARYING DISPOSITIONS, AND APPROPRIATIONS

Amendments made: No. 52, in page 84, line 10, at end insert—

'(4A) Where on an intestacy property is appropriated by a personal representative in or towards satisfaction of any interest of a surviving husband or wife in the intestate's estate, stamp duty under the heading mentioned in subsection (1) above shall not be chargeable on an instrument giving effect to the appropriation.

(4B) The reference in subsection (4A) above to an interest in the intestate's estate—

(a) includes a reference to the capital value of a life interest which the surviving husband or wife has under the Intestates' Estates Act 1952 elected to have redeemed, and

(b) in Scotland, includes a reference to prior rights (within the meaning of the Succession (Scotland) Act 1964) but, without prejudice to subsection (4C) below, not to such rights as are mentioned in that subsection.

(4C) Where in Scotland, on an intestacy or otherwise, property is appropriated by a personal representative in or towards satisfaction of the right of a husband to *jus relicti*, of a wife to *jus relictae* or of issue to *legitim*, stamp duty under the heading mentioned in subsection (1) above shall not be chargeable on an instrument giving effect to the appropriation.'.

No. 53, in page 84, line 13, leave out 'or (4)' and insert ', (4), (4A) or (4C)'.

No. 54, in page 84, line 19, leave out 'This' and insert 'Subject to subsection (8) below, this'.

No. 55, in page 84, line 21, at end insert—

'(8) Subsections (4A) to (4C) above and, so far as it relates to subsection (4A) or (4C), subsection (5) above apply to instruments executed on or after 1st August 1985.'.—*[Mr. Ian Stewart.]*

Clause 89

ABOLITION OF DEVELOPMENT LAND TAX AND TAX ON DEVELOPMENT GAINS

Mr. Terry Davis: I beg to move amendment No. 157, in page 90, line 1, leave out clause 89.

This is the clause which abolishes development land tax, and we discussed it in some detail in Committee of the whole House.

The Chancellor of the Exchequer (Mr. Nigel Lawson): Absolutely.

Mr. Davis: The right hon. Gentleman says, "Absolutely". Since he has been watching the proceedings with interest and no doubt has been considering events outside the House, he will know that the purpose of the clause has been widened as a result of the ingenious schemes pursued by tax lawyers since our debate in Committee of the whole House. I am glad that the right hon. Gentleman sees the clause as so important that he has decided to attend the debate.

The clause abolishes development land tax, at a cost of £50 million — [HON. MEMBERS: "Hear, hear."] I recognise that that is popular among Government supporters, but the Opposition take a different view. The purpose of the amendment is to debate loopholes which have emerged as a result of the sloppy drafting of the Bill since our debate in Committee of the whole House.

The Government's intention, as announced in the Budget by the Chancellor of the Exchequer and repeated in our debate in Committee of the whole House, is to abolish development land tax with effect from the date of the Budget announcement. Subsequently, it has become clear that it is possible that development land tax has been abolished with effect before the date of the Budget, and it has happened in two ways.

It has become clear that it is possible for developers to use an existing deemed disposal in such a way that they can change the basis of the development land tax charge and avoid the charge which they would otherwise have incurred.

I give an example, which I take from an interesting article in *The Law Society's Gazette* of 8 May. The author points out that a developer who had planning permission to build 100 houses and whose development was due to last four years could have become liable to development land tax at the beginning of, say, March as a result of giving notice of the beginning of his project. If, after the Budget statement, he changed his mind and decided to build a smaller number of houses—say, 10 instead of 100 houses—to leave the other 90 houses until a later date and therefore to a later decision, and served a notice of variation of the project so that he was only taxed on a project for 10 houses, in the future he could change his mind again and decide to build more houses—90, 89 or 91—and this decision and the development of the land would not be taxed.

There is the possibility of applying the decision in the case of Furniss *v.* Dawson about a pre-ordained series of transactions being taken as a single composite transaction where steps had been inserted which had no commercial purpose other than that of avoiding tax. However, it is clear that when this project began it was not pre-ordained that the other steps would follow, and it could be held that the variation of the project and the subsequent project could not be treated as a series of transactions or that that series of transactions could be ignored by the Revenue. It would be possible for a developer to avoid tax, especially if he could argue that there was some other commercial purpose for the variation and for the new project. As the author of the article pointed out, there could well be no

problem in finding such reasons. The changes would mean that developers would not be liable for development land tax, which the Government intend them to pay.

I am aware that other clauses seek to prevent tax avoidance, but as the author of the article points out, in practice the clauses are not operated. That is one way in which a developer could avoid the stated intention of the Chancellor of the Exchequer on development land tax, which was that if a developer had already incurred liability on the date of the Budget statement, the tax would be payable.

A second way for a developer to avoid his tax liability would be to rescind a contract for the sale for development. With a contract which disposes of land the developer becomes liable for tax, but that liability can be extinguished by rescinding the contract before completion, and therefore vitiating the pre-19 March disposal. Again, the Opposition believe that people whom the Chancellor intends should pay tax, could avoid it.

We are drawing those two loopholes to the attention of the Economic Secretary. I am glad that he will reply to the debate because, in a previous debate on Report, I drew his attention to a loophole which the Government were blocking, but only after waiting 11 months. I also drew his attention to a second loophole involving the same tax, and asked him whether the Government intended to block it before they lost money, but he could not answer that question.

This time I hope that the hon. Gentleman will answer because next year the Treasury will not be able to block these loopholes. The developers will have got away with it, and the law will have applied as it is now. If, as the article suggests, those loopholes exist, the Treasury Ministers and the Chancellor of the Exchequer are obliged to ensure that the Budget statement of 19 March is put into effect by blocking these loopholes tonight.

Mr. Ian Stewart: The hon. Member for Birmingham, Hodge Hill (Mr. Davis) raises a question which derives from an article in *The Law Society's Gazette* of 8 May, in which Mr. Clifford Joseph, a barrister, suggested that development land tax on existing disposals or projects could be mitigated through arrangements involving rescission of existing contracts or variation of projects. However, he then said that purely contrived schemes could be challenged by the Inland Revenue on the strength of the House of Lords decision in the Furniss *v.* Dawson case.

I have asked the Inland Revenue to study the implications, but I understand that no cases have come to its attention, in which post-Budget rescissions have been made of pre-Budget contracts. I note the hon. Gentleman's comments, and shall certainly ensure that his points are followed up.

Mr. Davis: What will happen if the hon. Gentleman finds such a case? Why not block the loophole before the Bill is enacted? How will the Inland Revenue know whether the contracts have been rescinded or varied? Perhaps it is given notice. The developers who intend to use the loophole may well be waiting until the Bill is enacted, or at least has completed its Report and Third Reading. By then it will be too late for the Government to block the loopholes. Why have they not taken action? They have had two months since *The Law Society's Gazette* drew it to everybody's attention. What are they waiting for? On Monday they managed to table amendments to change the basis of capital gains tax. Why are they not prepared to stop developers avoiding development land tax? They have had two months, not two days.

12.45 am

Mr. Ian Stewart: The hon. Gentleman is correct to say that the matter was drawn to public attention some time ago. Had there been evidence of a serious risk of circumvention of the proposals, it would have been possible to frame means of dealing with that in the Bill. The matter has been drawn to the attention of the Revenue and I have asked that it should respond. It has advised me that no such cases of rescission have come to its notice. That is as far as I can reassure the hon. Gentleman.

Mr. Davis: How significant is that explanation? Does the Minister expect any examples of rescission — all examples of rescission and all rescissions and variations —to come to the notice of the Revenue? Is he saying that, if there are rescissions or variations the Inland Revenue is informed, or do we rely on pot luck?

Mr. Stewart: Notice is not automatic, but the Revenue keeps in touch with these matters. Of course, there cannot be rescission unless there is existence in the first place.

Mr. Davis: I am not satisfied with that explanation. The Treasury has had long enough to look into these matters. I do not intend to delay the proceedings this evening by calling a Division, but I put it on record that the Government are happy to wait until a loophole has been exploited before they say or do anything about it, if they do. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Schedule 24

CAPITAL TRANSFER TAX: CONDITIONAL EXEMPTION

Amendments made: No. 104, in page 196, line 2[illegible] leave out 'beneficially entitled' and insert 'entitled (either beneficially or otherwise)'.

No. 105, in page 197, leave out lines 26 to 30 and insert —

'(2) Where there has been a conditionally exempt transfer of any property (or part), tax shall be charged under this section in respect of that property (or part) on the first occurrence after the transfer of an event which under this section is a chargeable event with respect to that property (or part).'

No. 106, in page 198, line 37, after 'event', insert 'with respect to the property (or part) concerned'.

No. 107, in page 199, line 20, leave out 'part only of one of the associated properties' and insert 'one of the associated properties or part of it'.

No. 108, in line 24, leave out 'part only of one of the associated properties' and insert 'one of the associated properties or part of it'.

No. 109, in line 29, after 'the', insert 'property or'.

No. 110, in line 31, after 'that', insert 'property or'.

No. 111, in line 37, leave out from 'Act,' to end of line 38 and insert 'at the end there shall be added "or, where the property has been disposed of as mentioned in section 32A(5) above, before any event which apart from section 32A(5) would have been such a chargeable event."'.—*[Mr. Peter Rees.]*

New Schedule

'GROUP RELIEF

PART I

GENERAL MODIFICATIONS

Interpretation

1. In this Part of this Schedule—

(a) a "company owned by a consortium" means either such a trading company as is referred to in paragraph *(a)* or paragraph *(b)* of subsection (2) of section 258 of the Taxes Act or such a holding company as is referred to in paragraph *(c)* of that subsection (companies owned directly or indirectly by consortia);

(b) a "consortium claim" means a claim for group relief made by virtue of subsection (2) of section 258 of the Taxes Act;

(c) a "group claim" means a claim for group relief made by virtue of subsection (1) of that section;

(d) a "group/consortium company" means a company which is both a member of a group of companies and a company owned by a consortium;

(e) "relevant accounting period" means an accounting period beginning on or after 1st August 1985; and

(f) other expressions have the same meaning as in section 258 and the following sections of Chapter I of Part XI of the Taxes Act.

Claims for losses etc. of a group/consortium company

2.—(1) For the purpose of a consortium claim in respect of the loss or other amount of any relevant accounting period of a group/consortium company, that loss or other amount shall be treated as reduced (or, as the case may be, extinguished) by first deducing therefrom the potential relief attributable to group claims.

(2) Subject to sub-paragraph (3) below, in relation to the loss or other amount of a relevant accounting period of a group/consortium company, the potential relief attributable to group claims is the aggregate amount of group relief that would be claimed if every company which, as a member of the same group of companies as the group/consortium company, could make a group claim in respect of that loss or other amount made such a claim for an amount which, when set against the claimant company's total profits for its corresponding accounting period, would equal those profits.

(3) Where for any accounting period another member of the group of companies of which the group/consortium company is a member has a loss or other amount available for relief and one or more group claims is or are in fact made in respect of that loss or other amount, account shall be taken of the relief so claimed before determining (in relation to the loss or other amount of the group/consortium company) the potential relief attributable to group claims under sub-paragraph (2) above.

Claims for relief by a group/consortium company

3.—(1) In any case where—

(a) a consortium claim is made by a group/consortium company in respect of a loss or other amount of an accounting period of a member of the consortium, and

(b) the corresponding accounting period of the group/consortium company is a relevant accounting period.

the total profits of that accounting period of the group/consortium company, against a fraction of which that loss or other amount may be set off (in accordance with section 259(8)*(b)* of the Taxes Act), shall be treated as reduced (or, as the case may be, extinguished) by deducting therefrom the potential relief available to the group/consortium company by way of group claims.

(2) Subject to sub-paragraph (3) below, in relation to a relevant accounting period of a group/consortium company, the potential relief available to the company by way of group claims is the maximum amount of group relief that could be claimed by the company for that accounting period on group claims relating to the losses or other amounts available for relief of other members of the group of companies of which the group/consortium company is a member.

(3) Where another member of the group of companies of which the group/consortium company is a member in fact makes one or more group claims in respect of losses or other amounts of other members of the group, account shall be taken of the relief already claimed by that company in determining the potential relief available to the group/consortium company by way of group claims under sub-paragraph (2) above.

Trading losses to be set against profits before group relief

4.—(1) Where a company owned by a consortium—

(a) has in any relevant accounting period incurred such a loss as is referred to in section 259(1) of the Taxes Act, and

(b) has profits (of whatever description) of that accounting period against which that loss could be set off under subsection (2) of section 177 of that Act,

the amount of that loss which is available to any member of the consortium on a consortium claim shall be determined on the assumption that the company owned by the consortium has made a claim under that subsection requiring the loss to be so set off.

(2) Where the company referred to in sub-paragraph (1) above is a group/consortium company, the amount of the loss shall be determined under that sub-paragraph before any reduction is made under paragraph 2 above.

Extension of scope of consortium relief

5.—(1) This paragraph applies where—

(a) a company (in this paragraph referred to as "the link company") which is a member of a consortium is also a member of a group of companies; and

(b) the link company could (disregarding any deficiency of profits) make a consortium claim in respect of the loss or other amount eligible for relief of a relevant accounting period of a company owned by the consortium.

(2) Subject to sub-paragraph (3) and (4) below, a company (in this paragraph referred to as a "group member") which is a member of the group referred to in sub-paragraph (1)*(a)* above but is not itself a member of the consortium may make any consortium claim which could be made by the link company; and the fraction which is appropriate under section 259(8) of the Taxes Act where a group member is the claimant company shall be the same as that which would be appropriate if the link company were the claimant company.

(3) A group member may not, by virtue of sub-paragraph (2) above, make a consortium claim in respect of the loss or other amount of any relevant accounting period of a company owned by the consortium unless the claimant company was a member of the group concerned throughout the whole of the accounting period or, as the case may be, each accounting period of the link company which, if that company were making the claim, would be a corresponding accounting period in relation to the relevant accounting period concerned.

(4) The maximum amount of relief which, in the aggregate, may be claimed by group members and the link company by consortium claims relating to the loss or other amount of any relevant accounting period of a company owned by the consortium shall not exceed the relief which could have been claimed by the link company (disregarding any deficiency of profits) if this paragraph had not been enacted.

6.—(1) This paragraph applies where—

(a) a company (in this paragraph referred to as "the link company") which is a member of a consortium is also a member of a group of companies; and

(b) a company which is a member of that group of companies but is not itself a member of the consortium has for any relevant accounting period a loss or other amount available for relief;

and, in relation to the link company, any reference in this paragraph to a group member is a reference to a company falling within paragraph *(b)* above.

(2) Subject to the following provisions of this paragraph, a company owned by the consortium may make any consortium claim in respect of the loss or other amount referred to in sub-paragraph (1)*(b)* above which it could make if the group member were a member of the consortium at all times when the link company was such a member, but not at any other time.

(3) The fraction which is appropriate under section 259(8) of the Taxes Act in relation to a consortium claim made by virtue of sub-paragraph (2) above shall be the same as that which would be appropriate if the link company were the surrendering company, except that the accounting period in respect of which

the Member's share in the consortium is to be ascertained shall be that of the group member which is in fact the surrendering company.

(4) A company owned by the consortium may not, by virtue of sub-paragraph (2) above, make a consortium claim in respect of the loss or other amount of any relevant accounting period of a group member unless, throughout the whole of that accounting period, the group member was a member of the group of companies referred to in sub-paragraph (1) above.

(5) for any accounting period of a company owned by the consortium (in this sub-paragraph referred to as "the claimant company's accounting period"), the maximum amount of relief which, in the aggregate, may be claimed by that company by consortium claims relating to the losses or other amounts of accounting periods of the link company and group members shall not exceed that fraction of the total profits of the claimant company's accounting period which would be brought into account under section 259(8)*(b)* of the Taxes Act on a consortium claim in respect of which—

(a) the link company was the surrendering company; and

(b) the link company's accounting period was the same as the claimant company's accounting period.

Restriction on consortium claims where companies join or leave consortium

7.—(1) In any case where—

(a) a consortium claim is made in respect of the loss or other amount of a relevant accounting period of a company owned by a consortium (in this paragraph that claim is referred to as "the primary claim", that company is referred to as "the principal surrendering company" and that accounting period is referred to as "the principal accounting period"), and

(b) the company making the primary claim or, if that claim is made by virtue of paragraph 5 above, the company which is the link company for the purposes of that paragraph was not a member of the consortium throughout the whole of the principal accounting period, and

(c) on or after the date on which the primary claim is made, a consortium claim is made which falls within sub-paragraph (2) below,

no relief shall be allowed on the primary claim, or, as the case may be, any relief which was so allowed shall be withdrawn.

(2) A consortium claim is to be taken into account under sub-paragraph (1)*(c)* above if—

(a) it is in respect of the loss or other amount of an accounting period of a surrendering company (being a company owned by the consortium referred to in sub-paragraph (1) above); and

(b) it is made by the company making the primary claim or, if that claim or the claim mentioned in this sub-paragraph is made by virtue of paragraph 5 above, by any other member of the group referred to in sub-paragraph (1) *(a)* of that paragraph; and

(c) at any time during the principal accounting period the surrendering company is a member of the same group of companies as the principal surrendering company; and

(d) the accounting period to which the claim relates falls, in whole or in part, within the principal accounting period.

(3) Where any relief which has been allowed is withdrawn by virtue of sub-paragraph (1) above, all such adjustments shall be made, whether by way of assessment or otherwise, as may be necessary in consequence of that withdrawal.

8.—(1) In any cases where—

(a) a company owned by a consortium makes a consortium claim (in this paragraph referred to as "the primary claim") in respect of the loss or other amount of a relevant accounting period of a member of the consortium or, if the primary claim is made by virtue of paragraph 6 above, of a company which, in relation to that member of the consortium, is a group member, within the meaning of that paragraph, and

(b) the member of the consortium concerned (whether as the surrendering company or the link company, within the meaning of paragraph 6 above) was not a member of the consortium throughout the whole of the relevant accounting period referred to in paragraph *(a)* above, and

(c) on or after the date on which the primary claim is made, a consortium claim is made which falls within sub-paragraph (2) below,

no relief shall be allowed on the primary claim or, as the case may be, any relief which was so allowed shall be withdrawn.

(2) A consortium claim is to be taken into account under sub-paragraph (1) (*c*) above if—

(a) it is made by a company owned by the consortium referred to in sub-paragraph (1) above; and

(b) the company making the claim is a member of the same group of companies as the company making the primary claim; and

(c) the claim relates to the loss or other amount of an accounting period of the consortium member referred to in sub-paragraph (1) above or of a company which, in relation to that consortium member, is a group member, within the meaning of paragraph 6 above; and

(d) the accounting period referred to in paragraph *(b)* above falls, in whole or in whole or in part, in the relevant accounting period referred to in sub-paragraph (1)*(a)* above.

(3) Where any relief which has been allowed is withdrawn by virtue of sub-paragraph (1) above, all such adjustments shall be made, whether by way of assessment or otherwise, as may be necessary in consequence of that withdrawal.

PART II

AMENDMENTS OF SECTION 263 OF TAXES ACT

9.—(1) At the beginning of subsection (3) there shall be inserted the words "Subject to subsections (3A) and (3B) below".

(2) In that subsection for the words from "are made" to "relate to" there shall be substituted the words "relating to".

(3) In that subsection after the words "surrender company", in the first place where they occur, there shall be inserted "are made by two or more claimant companies which themselves are members of a group of companies".

10. After subsection 83) there shall be inserted the following subsections:—

"(3A) If companies which are members of different groups make claims falling within subsection (3) above, that subsection shall apply separately in relation to the companies in each group.

(3B) For the purposes of subsection (3) above, there shall be left out of account a claim made by a company if—

(a) the claimant company joins or leaves a group of companies at the same time as the surrendering company; and

(b) both before and after that time either the claimant company is a 75 per cent. subsidiary of the surrendering company or the surrendering company is a 75 per cent. subsidiary of the claimant company or both companies are 75 per cent. subsidiaries of another company."

11.—(1) In subsection (4) for the words "If claims for group relief" there shall be substitued "Subject to subsection (4A) below, if claims as respects two or more surrendering companies which themselves are members of a group of companies".

(2) In that subsection the words "as respects more than one surrendering company" shall be omitted.

12. After subsection (4) there shall be inserted the following subsections:—

"(4A) If claims falling within subsection (4) above are made as respects surrendering companies which are members of different groups, that subsection shall apply separately in relation to claims as respects the surrendering companies in each group.

(4B) For the purposes of subsection (4) above, there shall be left out of account a claim made as respects a surrendering company if—

(a) the surrendering company joins or leaves the group of companies concerned at the same time as the claimant company; and

(b) both before and after that time either the surrendering company is a 75 per cent. subsidiary of the claimant company or the claimant company

[Mr. Davis]

is a 75 per cent. subsidiary of the surrendering company or both companies are 75 per cent. subsidiaries of another company."

13. For subsection (5) there shall be substituted the following subsection:—

"(5) References in subsection (3) to (4A) above to claims for group relief do not include references to consortium claims, that is to say, claims made by virtue of section 258(2) above.".'.—*[Mr. Peter Rees.]*

Brought up, read the First and Second time, and added to the Bill.

New Schedule

Supplementary Provisions as to Withdrawal of Tax Credits

Recovery of tax credits incorrectly paid

1.—(1) Where the provisions of section *[Withdrawal of right of certain non-resident companies to payment of tax credits]* of this Act apply so as to withdraw the entitlement of a company to claim to have a tax credit in respect of a qualifying distribution set against the income tax chargeable on its income and to have the excess of the credit over that income tax paid to it and the company (in this paragraph referred to as "the recipient company") has either had that excess paid to it, or has received an additional amount in accordance with arrangements made under Regulation 2(1) of the Double Taxation Relief (Taxes on Income) (General) (Dividend) Regulations 1973, it shall be liable to a fine for the violation of the provisions of section *[Withdrawal of right of certain non-resident companies to payment of tax credits]* of this Act equal to twice the amount of the excess or additional amount as the case may be and such fine (in this section referred to as "the recoverable amount") shall be payable to the Board and be treated as having become payable at the date when the excess or additional amount was paid to the recipient company and may be recovered in accordance with sub-paragraphs (2) to (5) below.

(2) The recoverable amount may be assessed and recovered as if it were unpaid tax and section 30 of the Taxes Management Act 1970 (recovery of overpayment of tax, etc) shall apply accordingly.

(3) Any amount which may be assessed and recovered as if it were unpaid tax by virtue of this paragraph shall carry interest at the rate of 9 per cent. per annum from the date when it was payable in accordance with this paragraph until the date it is paid and it is hereby declared that this paragraph applies to a recoverable amount which is paid without the making of an assessment (but is paid after it is due) and that, where the recoverable amount is charged by any assessment (whether or not any part of it has been paid when the assessment is made), this paragraph applies in relation to interest running before, as well as after, the making of the assessment.

(4) Where the recoverable amount is not paid by the recipient company within six months from the date on which it became payable—

(a) the recoverable amount may at any time within six years from the date on which it became payable be assessed and recovered as if it were unpaid tax due from any person who is or was at any time prior to the expiration of the said six year period connected with the recipient company, or would have been connected on the assumption that all the facts and circumstances relating to the recipient company at the time the excess or additional amount as the case may be was paid continued to apply for six years thereafter, and section 30 of the Taxes Management Act 1970 shall apply accordingly, and

(b) as respects its accounting periods beginning with that in which the excess or additional amount referred to in sub-paragraph (1) above was paid and ending with that following that in which the recoverable amount is paid in accordance with the provisions of this paragraph, the company which made the qualifying distribution in respect of which the recipient company received the excess or additional amount shall not be entitled to set any advance corporation tax paid by it against its liability to corporation tax for such periods in accordance with section 85 of the Finance Act 1972 (payments of advance corporation tax to be set against company's liability to corporation tax on its income) nor to surrender the benefit of the whole or any part of any amount of advance corporation tax to a subsidiary in accordance with section 92 of that Act *(setting of company's surplus advance corporation tax against subsidiary's liability)* in such periods.

(5) Where a recoverable amount is assessed and recovered from a person connected with the recipient company in accordance with sub-paragraph (4)*(a)* above, that person shall be liable for the interest payable in accordance with sub-paragraph (3) above and, until the interest is so paid, sub-paragraph (4)*(b)* above shall apply as if the words "the interest due in accordance wih sub-paragraph (3) above is paid" were substituted for the words "the recoverable amount is paid in accordance with the provisions of this paragraph".

(6) Interest payable under this paragraph shall be paid without any deduction of income tax and shall not be allowed as a deduction in computing any income, profits or losses for any tax purposes.

(7) Where under the law in force in a territory outside the United Kingdom interest is payable subject to a deduction in respect of taxation and such deduction applies to an amount of interest paid in accordance with sub-paragraph (3) above, the reference to the rate of 9 per cent. per annum in that sub-paragraph shall be deemed to be a reference to such rate of interest as after such deduction shall be equal to the rate of 9 per cent, per annum.

Claims to payment of tax credits following remedial legislation in unitary states

2.—(1) This paragraph has effect where a company to which section *[Withdrawal of right of certain non-resident companies to payment of tax credits]* applies has a qualifying presence in a province, state or other part of a territory outside the United Kingdom which has been prescribed as a unitary state for the purposes of that section and, at the time when a qualifying distribution is made to that company by a company which is resident in the United Kingdom, that state has enacted legislation the effect of which is that, as from a future date which shall not be later than 31st December 1986, it will cease to be a unitary state within the meaning of the definition in paragraph 5(1) below, notwithstanding that it remains prescribed as such for the purposes of that section.

(2) In the circumstances described in sub-paragraph (1) above the company in receipt of the qualifying distribution shall be entitled on or after the effective date to claim to have the tax credit to which it is entitled in respect of the distribution set against its liability to income tax and to have the excess (if any) of the credit over that liability paid to it; but, if payment of the excess or of the additional amount referred to in Regulation 2(1) of the Double Taxation Relief (Taxes on Income) (General) (Dividend) Regulations 1973 is made before the effective date, the provisions of paragraph 1 above shall apply in relation to that payment regardless of the enactment of the legislation referred to in sub-paragraph (1) above.

(3) For the purposes of this paragraph the efective date shall be deemed to be the date (Not to be later than 31st December 1986) on which the legislation referred to in sub-paragraph (1) above actually becomes effective in the province, state or other part of the territory outside the United Kingdom which has been prescribeed as a unitary state for the purposes of section [*Withdrawal of right of certain non-resident companies to payment of tax credits*], irrespective of the date, if any, specified in that legislation.

Avoidance of provision withdrawing tax credits

3.—(1) in any case where arrangements are made, whether before or after section *[Withdrawl of right of certain non-resident companies to payment of tax credits]* comes into force, as a result of which interest is paid or a discount is allowed by or through a person who is resident in the United Kingdom, or carries on business in the United Kingdom through a branch or agency, and it is reasonable to suppose that, if such payment or allowance had not been made, a qualifying distribution would have been made by the person by or through whom the payment or allowance is made, or by another company resident in the United Kingdom,

to a company which has, or is an associated company of a company which has, a qualifying presence in a unitary state at the time when the payment or allowance is made, then—

(a) no person who receives that payment or allowance shall be entitled to relief from income tax or corporation tax thereon by virtue of arrangements having effect under section 497(1) of the Taxes Act, and

(b) the payment or allowance shall not be allowed as a deduction in computing any income profits or losses for any tax purposes.

(2) Without prejudice to the generality of sub-paragraph (1) above, where a payment or allowance is not of itself a payment or allowance to which sub-paragraph (1) above applies, but is made in conjunction with other payments of whatever nature and taken together with those payments has substantially similar effect to a distribution, then, for the purposes of sub-paragraph (1) above, it shall be treated as a payment or allowance within that sub-paragraph.

(3) Any company which has received such a payment of interest as is referred to in sub-paragraph (1) above, from which income tax has not been deducted by the person making the payment, and has a qualifying presence in a unitary state at the time of the payment, shall be treated for the purposes of paragraph 1 above as a company from which the entitlement to claim payment of the excess of a tax credit over the income tax chargeable on its income has been withdrawn by section *[Withdrawal of right of certain non-resident companies to payment of tax credits]* (1) and which has had paid to it such an excess in an amount equal to the income tax which should have been deducted from the payment of interest.

Power to inspect documents of non-resident companies

4.—(1) Where it appears to the Board that the provisions of section *[Withdrawal of right of certain non-resident companies to payment of tax credits]* and this Schedule may apply to a company resident outside the United Kingdom (in this paragraph referred to as a "foreign parent"), the Board may, by notice in writing given to the foreign parent or any associated company of that foreign parent, require that company within such time (not being less than thirty days) as may be specified in the notice to make available for inspection any books, accounts, or other documents or records whatsoever of that company where in the opinion of the Board it is proper that they should inspect such documents for the purposes of ascertaining whether the said provisions apply to the foreign parent or such associated company notwithstanding that in the opinion of the person to whom the notice is given those provisions do not apply to that company or any associated company of that company.

(2) In the Table to section 98 of the Taxes Management Act 1970 *(penalties)* at the end of the first column there shall be added—

"Paragraph 4 of Schedule *[Supplementary provisions as to withdrawal of tax credits]* to the Finance Act 1985".

Meaning of "unitary state", etc

5.—(1) In this Schedule and section *[Withdrawal of right of certain non-resident companies to payment of tax credits]* of this Act—

"group" and "member of a group" shall be construed in accordance with section 272(1) of the Taxes Act (definition of groups of companies) with the omission of the restriction in paragraph *(a)* of that subsection and the substitution of the words "51 per cent." for the words "75 per cent." wherever they occur,

"qualifying distribution" has the same meaning as in Part V of the Finance Act 1972 (taxation of companies and company distributions),

"unitary state" means a province, state or other part of a territory outside the United Kingdom with the government of which the arrangements referred to in subsection (1) of section *[Withdrawal of right of certain non-resident companies to payment of tax credits]* have been made which, in taxing the income or profits of companies from sources within that province, state or other part, takes into account, or is entitled to take into account, income, receipts, deductions, outgoings or assets of such companies, or of associated companies of such companies, arising, expended or situated as the case may be outside that territory and which has been prescribed under subsection (7) of that section as a unitary state for the purposes of that section; but no such province, state or other part shall be so prescribed which only takes into account such income, receipts, deductions, outgoings or assets—

(a) if the associated company was incorporated under the law of the territory, or

(b) for the purpose of granting relief in taxing dividends received by companies.

(2) For the purposes of this Schedule and section *[Withdrawal of right of certain non-resident companies to payment of tax credits]* of this Act—

(a) section 533 of the Taxes Act (connected persons) applies; and

(b) section 302 of the Taxes Act (meaning of "associated company" and "control") applies with the substitution of the words "six years" for "one year" in subsection (1) of that section.'.—*[Mr. Peter Rees.]*

Brought up, read the First and Second time, and added to the Bill.

Schedule 25

REPEALS

Amendments made: No. 159, in page 203, line 32, column 3, at beginning insert

'In section 263(4), the words "as respects more than one surrendering company".'.

No. 160, in page 204, line 25, at beginning insert—

'The repeal in section 263 of the Income and Corporation Taxes Act 1970 has effect in accordance with section *[Group relief: modifications]* (2)*(b)* of this Act.'.

No. 112, in page 207, line 4, at beginning insert—

'1970 c. 10.	The Income and Corporation Taxes Act 1970.	Section 270(3).
1975 c. 45.	The Finance (No. 2) Act 1975.	In section 58(12), the words from "(other" to "that Act)".'.

No. 113, in line 4, column 3, at beginning insert—

'In section 65, in subsection (1)*(b)*, the words from "and this" to the end and in subsection (7)*(b)*, the words from "subject" to "above".

In section 66, in subsection (4), the words from "and in" to the end.

Section 67(2) and (3).

Sections 68 to 70.

In section 84, in subsection (3)*(b)*(ii), the words "if the disposal is within" and "that section".

No. 114, in line 5, at end insert—

'1981 c. 35.	The Finance Act 1981.	In section 41, in subsection (1) the words "or gains or losses" and in subsections (2) and (3) the words "gains or losses".'.

No. 115, in line 5, column 3, at end insert—

'In Schedule 7, paragraph 2(2) and in the Table in paragraph 9, the second entry relating to section 58(12) of the Finance (No. 2) Act 1975.'.

No. 116, in line 6, column 3, at beginning insert—

[Mr. Davis]

'In section 58, in subsection (5) the words from "including" to "gains" and subsection (6)'.

No. 117, in column 3, leave out lines 14 and 15 and insert—

'In section 88, in subsection (1) the words "and section 89 below" and "section 89 below", paragraph *(b)* and the word "and" immediately preceding it; and subsection (5A). Section 89.'.

No. 118, in line 32, at end insert—

'1984 c. 43.	The Finance Act 1984.	In Schedule 9, in paragraph 11 (1) the words "and 89". In Schedule 13, paragraph 4 and paragraph 9*(b)* and the word "and" immediately preceding it.'.

No. 119, in line 34, at beginning insert—

'The repeals in section 270 of the Income and Corporation Taxes Act 1970, section 58 of the Finance (No. 2) Act 1975, sections 65 to 70 and 84 of and Schedule 7 to the Capital Gains Tax Act 1979, section 41 of the Finance Act 1981, section 58 of the Finance Act 1982 and Schedule 13 to the Finance Act 1984 have effect with respect to disposals on or after 2nd July 1986.'.

No. 120, in line 39, leave out from '1983' to 'have' in line 40 and insert

'the Finance (No. 2) Act 1983 and Schedule 9 to the Finance Act 1984.'.

No. 121, in line 42, after 'Act', insert

'(other than those mentioned in paragraph *(bb)* below)'.

No. 122, in line 43, at end insert—

'*(bb)* in the case of gilt-edged securities as defined in Schedule 2 to the Capital Gains Tax Act 1979 and qualifying corporate bonds as defined in section 64 of the Finance Act 1984, with respect to disposals on or after 2nd July 1986, and'.—*[Mr. Peter Rees.]*

12.46 am

Mr. Peter Rees: I beg to move, That the Bill be now read the Third time.

This is the final stage of a long and intricate legislative process. I ventured to say at the beginning of the debate on Second Reading that it was a good Bill, but I am ready to admit that it has been improved in Committee and on Report. There have been valuable contributions from Government and Opposition Members in Committee and on the Floor of the House.

The Bill may not have quite the same dramatic impact as last year "s Finance Bill and it has not had the same dramatic passage through the House. However, the Bill has been considered in Committee rather better than last year's Finance Bill. It has one inestimable quality, which I am sure will command the approbation of the entire House. Although it amounts to 98 clauses and 27 schedules, the repeals in schedule 25 remove many measures from the statute book and we are not making a net addition to the statute book.

More significantly, the Bill sustains the momentum of fiscal reform. The abolition of development land tax did not entirely command the approbation of the hon. Member for Birmingham, Hodge Hill (Mr. Davis), but it is one of the features of the Bill. Other features are the indexation provisions for capital gains tax, the exclusion of gilts and certain corporate bonds from capital gains tax, which goes far to simplify an unduly complex tax, the simplification and modernisation of many of the stamp duty provisions and the unitary tax measures, which were debated in the early hours of yesterday morning and for which we are indebted to my hon. Friend the Member for Surrey, North-West (Mr. Grylls) and other of my right hon. and hon. Friends. I am sure that that measure will make a valuation contribution to the development of thought on both sides of the Atlantic on that complex issue.

Finally, I turn to the recommendation of the Keith committee on the administration of indirect taxes. I paid a tribute, which I shall not repeat, on Second Reading to the labours of that committee. It has produced a thoroughly painstaking and admirable piece of work. The fact that we have adopted more or less most of the recommendations in legislative form is eloquent testimony of our regard for the committee's work. I am sure that it will improve the administration of the taxes for which Customs and Excise is responsible while maintaining a fair balance between the interests of the administration and those of the taxpayer.

The provisions were inevitably long and complex and they have been properly subjected to close scrutiny in Standing Committee and on Report. It can be claimed that it was quite a feat that the recommendations of the Keith committee should have been implemented in legislative form within two and a half years of the first report, especially when it is borne in mind that there have been extensive consultations and the publication of draft clauses. That is indeed the way that this Administration likes to proceed in complex legislative fields. I also remind the House that it should be the prelude to further provisions next year in regard to direct taxation.

I assure the House and the country that the Government have not lost their appetite for tax reform. As further evidence of that, we shall be publishing in due course a Green Paper on personal allowances and other related subjects.

It was, I believe, a well-conceived, well-constructed, well-criticised and well-considered Bill. It has been improved by our various debates. On that basis, I have no hesitation in commending it to the whole House.

12.50 am

Mr. Terry Davis: The Chief Secretary will not be surprised to learn that we take a different view of the Bill. I think that his reference to the Bill as having been well criticised was intended as some sort of compliment. I see that he is nodding, so I take it as such. We are critical of the Bill in its overall strategy and also in its detailed provisions.

Whereas the Chief Secretary, understandably, regards the abolition of development land tax, at a cost of £50 million to the Exchequer, as a good thing, we regard it as something to be criticised. Similarly, we were and still are critical of the changes in capital gains tax, and of a measure tht I think the Chief Secretary overlooked in his contribution a few moments ago. He did not refer to the extension of VAT to newspaper advertisements—I am sure that it was an oversight—even though it was debated at length in the House. We regard that as one of the serious extensions of the taxation system and we seriously object to it.

There were other features of the debates which are worth putting on record. In Committee, we discussed the increases in the excise duties on spirits, beer, wine, made wine and cider, and it became clear that there was no logic in the Government's approach to those duties. There were different increases in the duties on different drinks and there was no logical explanation for them; at least, there was no logical explanation given to the Committee.

Similarly, we had the benefit of a Minister from the Department of Transport during our consideration of vehicle excise duty. It was the unanimous conclusion of Opposition Members—and, I suspect, the conclusion of some Conservative Members—that there was no logic behind the Government's approach to vehicle excise duty. Again, there were different increases in the rates of vehicle excise duty for different vehicles. It was kindness that led us to terminate that debate, because we were getting no satisfaction whatever from the Minister who had been brought to the Committee to explain what was supposed to be the Government's thinking.

The Opposition regard the Bill as being particularly badly drafted. The Chief Secretary referred to the fact that the Bill consists of 98 clauses, yet during the past two days we have had to deal with 106 Government amendments at this late stage in our proceedings. We dealt with a considerable number of Government amendments in Committee, and since then there have been 106 amendments and new clauses tabled by the Government. I do not object to all of them; indeed, we welcome some of them, and are grateful for amendment No. 129, dealing with the problem of Cyprus sherry. In our earlier exchanges, I paid tribute to the Minister of State, Treasury, for the way in which he approached the problem. That expression of gratitude was sincerely meant.

Nevertheless, putting those very few concessions on one side, the large number of amendments to a Bill with only 98 clauses is significant. Indeed, it compares with only a slightly larger number of amendments that were tabled last year to a much longer Bill. It suggests to us that the draftsmanship on this occasion has been below the standard that we expect from the Treasury and from the Chief Secretary.

A large number of the amendments were moved formally by the Government tonight, showing that they were regarded by the Government as technical amendments. At the same time, we also object to the very short notice that has been given of some amendments tabled for consideration on Report. A few minutes ago my hon. Friend the Member for Thurrock (Dr. McDonald) protested about four amendments that were tabled on Monday. Four more amendments were tabled less than a week ago. Those amendments are significant and change the basis for calculating the value of a disposal for capital gains tax purposes. We regret the Government's treatment of the House in that way.

However, it would be unfair of me not to say that the Chief Secretary to the Treasury in particular has made a great effort to be flexible and co-operative and to consult the Opposition. The Chief Secretary responded to my request in Committee that the Treasury should consult the Opposition in more detail about proposed amendments that affect taxes on the heritage. The Chief Secretary responded to other points that were put to him in Committee. On this occasion, we were provided with a much more detailed explanation of amendments that were made on the nod on Report. I hope that this precedent will be followed next year.

In putting forward their amendments on Report, some at very short notice, the Government have ignored two or three obvious loopholes, among them the abolition of development land tax. It is unfortunate that the Government have not seen fit to seek our assistance and consult us about the way in which those loopholes could be closed.

Last year, my hon. Friend the Member for Birmingham, Perry Barr (Mr. Rooker) pointed out that the price of the Finance Bill 1984 was £9·75. This year's Finance Bill, which is much shorter, costs £10·20. The increase cannot be justified.

12.57 am

Dr. Marek: The Bill can be criticised for not including what it ought to include, a point which I cannot develop on Third Reading. I can only refer to what it contains. This year's Finance Bill is much less damaging to the country than last year's. I support what was said by my hon. Friend the Member for Birmingham, Hodge Hill (Mr. Davis) about vehicle excise duty, which varies according to the number of axles on a lorry. The Treasury has not consulted the Department of Transport because there is no set of principles whereby lorries with different axles are taxed.

Mr. Campbell-Savours: Has my hon. Friend received the correspondence that I have received from hauliers about these new rates of tax? The Government are a net beneficiary, after expenditure on roads, from the tax on heavy goods vehicles. The road haulage industry is most aggrieved. In Committee we dealt in detail with the regional implications of the Government's taxation policy for heavy goods vehicles. If my hon. Friend has received any such correspondence, will he draw it to the attention of the House, in particular the comments of hauliers in North Wales who are most aggrieved by this year's Budget.

Dr. Marek: I should like to oblige my hon. Friend, but unfortunately I have received no correspondence from hauliers in north Wales, or anywhere else, for that matter. However, I have received serious complaints from the county surveyor of Clwyd county council. Heavy lorries are damaging the surface of Clwyd roads particularly the bridges. Local authorities are in difficulty over strengthening these bridges, with very serious consequences. Their difficulties should be reflected in the Finance Bill. Thirty-two tonne vehicles with four axles damage the roads very much more than vehicles with five axles, or light vehicles.

My impression in Committee was that the Government did not know what guidelines they should adopt to ensure that vehicles covered their track costs. It was not clear how the Government defined track costs and I believe that a Minister said at one point, "It is a bit of a mess and we are just starting to put it right."

I hope that the Treasury will insist that the Department of Transport should examine the issue over the coming year and provide details on how the vehicle excise duty tables can be put in order so that there is some fairness in the system and so that lorries cover road costs and the cost of ancillary services such as bridges and street lighting. The costs of accidents and environmental damage should also be included.

[Dr. Marek]

I agree with my hon. Friend the Member for Hodge Hill that we were disappointed that there was not a brisk response from the Treasury. Ministers should at least have given the impression that they knew where they were going. We might have argued about that, but we never found out where they were going. I hope that a different attitude will be displayed next year.

Mr. Campbell-Savours: I do not know whether my hon. Friend grasped the point that I made in my previous intervention. I am sure that he wishes to do so, because he comes from an outer region.

The cost of heavy goods vehicle licences bears unnecessarily heavily on hauliers outside the major conurbations. Whenever a manufacturer in my hon. Friend's constituency wishes to supply goods to a major conurbation, he has to pay for haulage and those costs depend greatly on the cost of diesel and the price of a licence.

Mr. Deputy Speaker: Order. Interventions should be brief.

Mr. Campbell-Savours: I hope that my intervention can be kept as brief as possible.

Mr. Deputy Speaker: Order. It has not been very brief so far.

Mr. Campbell-Savours: Transport costs must have implications for regional policy. Wales is as much a region as is Scotland, the south-west or Manchester. These matters should be taken into account by the Government when they set taxes for what are, in effect, infrastructure services in our areas.

Dr. Marek: I do not want to talk about matters that should have been in the Bill, but I assume that the Treasury is taking account of the point made by my hon. Friend. We all have our views about whether diesel should be cheaper and excise duty abolished, with the extra cost being put on petrol.

The Bill includes a comprehensive set of tables. If one compares the rates in the Bill with those in previous Finance Bills it seems that much that was raised was ad hoc. Some things might have been raised in one year and others in another year. The top of a column might have been raised by £25 for the first five entries and by £45 for the next five entries. With reference to page 99, Table C(1) the bottom five entries might have been raised by £60 or £70 but no coherent strategy is evident as to what the Treasury was trying to get at.

The Bill is before us, and there is nothing that we can do about it now. I am not happy about it because I do not understand the system. I hope that the Treasury will be able to liaise with the Department of Transport to produce a set of principles by which we can be guided.

Mr. Campbell-Savours: Is my hon. Friend aware of the special procedure with regard to the introduction of some Bills whereby evidence can be taken prior to a Bill being considered in Committee? Would that not have been a good area in which to proceed on that basis?

Mr. Deputy Speaker: Order. I hope that the hon. Gentleman will not pursue that matter on Third Reading. He knows that the House is required to consider what is in the Bill, not the procedures that led to it.

Mr. Campbell-Savours: If I may complete my intervention——

Mr. Deputy Speaker: I thought that I had indicated to the hon. Gentleman that he was out of order.

Dr. Marek: If my hon. Friend wishes to be in order, I will of course give way in due course.

I deal next with VAT on newspapers, which I regret. This is not the type of thing that Labour would have done if they had been in Government. The newspaper industry was very worried about the provision. It forced it into two sections, the national press on one side and the local press on the other. The local press is not particularly healthy. It survives, and we have a very good local press, but it lives on shoestrings and cannot afford a large increase in cover price. Before the Finance Bill was published, it was feared that VAT might be put on the cover price of newspapers. It was not, for which I am thankful. However, VAT has been put on advertisements.

I cannot object very strongly to the imposition of VAT on advertisements, but I do object to the imposition of VAT on classified advertisements, by which people announce the birth of a son or daughter or a death, or an article for sale. The article offered for sale often is worth only £2 or £3, and the advertising cost must be about 80p which, with VAT 92p. If to that amount has to be added another 15 or 17p for the cost of a stamp, the exercise is made that much less economic. I am somewhat mollified by the fact that the Government, having put VAT on classified advertisements, are not receiving letters from newspapers, including local newspapers, to the effect that they will close down because they are experiencing serious problems. However, newspaper people are unhappy about what is happening.

Mr. Campbell-Savours: My hon. Friend might want to extend the argument because he will recognise the major switch from direct to indirect taxation in the last five years. In 1979 the Conservatives went into a general election——

Mr. Deputy Speaker: Order. We are discussing the Third Reading of the Finance Bill, not its historical background.

Dr. Marek *rose*——

Mr. Campbell-Savours: My hon. Friend made a statement and I was referring to the historical background because it was in order for me to suggest that there is a link between the Government's decision to raise indirect taxation and to reduce direct taxation, which is what they have been doing, although both types of taxation have increased. Will my hon. Friend comment on the fact that little things like VAT on fish and chips introduced in the last Budget, which was referred to——

Mr. Deputy Speaker: Order. The hon. Gentleman must not comment upon last year's Budget. We are discussing this year's Finance Bill and we must stick to that.

Mr. Campbell-Savours: On a point of order, Mr. Deputy Speaker. During discussions on this matter repeated references have been made to Government decisions on VAT, and in particular to the imposition of VAT on fish and chips. Reference was made to that because damage was inflicted on a particular sector. The argument about——

Mr. Deputy Speaker: Order. On Third Reading debate is restricted to what is in the Bill. Discussions at previous stages are not relevant. The discussions to which the hon. Gentleman refers are not relevant. Debate must be about the content of the Bill.

Dr. Marek: The Bill has been discussed at length so I do not want to detain the House much longer, but I want to make one or two further points as briefly as possible.

There has been a shift to indirect taxation away from direct taxation. The income tax bands and personal allowances have been raised over the inflation rate so that those people who are at work benefit—over 4 million are not at work and cannot do so. However, the benefits are taken away because of the absurdly high interest rates caused by the Government's idiotic monetarist policies. The advantages for people with mortgages are nullified by the Government's economic policies.

Despite the shift from direct to indirect taxation, overall taxation has gone up under this Administration.

The capital gains tax changes were made by the Government late in the day. The provisions making those changes were tabled so late that I saw them for the first time only yesterday. I did not understand them when I read them then, and I do not fully understand them now. Time did not permit hon. Members to examine those provisions carefully or to take professional advice. Thus, we do not know if they are defective or if we could have improved them. It would have been better for the Government to have left such a change until, say, next year. Alternatively, they should have thought the matter through earlier, and tabled the necessary provisions in good time.

Mr. Campbell-Savours: My hon. Friend may recall that in recent years there have been repeated capital gains tax reductions. In each case we have pressed Ministers to say how many people would be affected by, and the value of, the reductions. On each occasion when figures have been given, the Government have underestimated the revenue loss. When moving their amendments today, the Government refused to say how many people or how much revenue would be involved. They only said that the effect on the revenue would be negligible. Does my hon. Friend agree that next year we should table questions before the Finance Bill——

Mr. Deputy Speaker: Order. One Finance Bill at a time, please. We are dealing with this year's, not next year's, Finance Bill.

Dr. Marek: My hon. Friend has, in part, made my speech for me. I shall not comment further on what he said or I would be out of order. The Chief Secretary said, I am sure sincerely, that he was unable to give an estimate of how much additional money would stay outside the Treasury's net as a result of the capital gains tax changes. Because the amendments to make those changes were tabled so late, we have had no real chance to form an opinion, and that is a major reason why the Opposition voted against them.

We have had this year a Budget for the rich. It is not designed to benefit the unemployed, single-parent families, pensioners or the disabled. Much of the Finance Bill is concerned with tax reliefs and incentives for a small minority of people. However, it does not do as much damage in that it does not go as far down that road as last year's Budget. Nevertheless, it takes a similar line and, because of that, I should like to vote against the Bill. But the hour is late and chances are that many hon. Members have gone away to sleep.

Opposition Members do not like the Budget and we would not have introduced such measures had we been in office. I am sure that within two years there will be a radical change in Budgets. Members of the present Administration will be sitting on the Opposition Benches and the Labour party will be producing its first Budget. I am confident that that will happen. Britain has almost been ruined under this Government. The Labour party will save it within two years.

1.20 am

Mr. Campbell-Savours: It seems that the House is most eager to hear what I have to say! Therefore, I shall speak briefly, although bluntly and to the point. The measure of the Budget is the assessment of it in my constituency by industrialists, trade unionists and the general public. Over the past five years, industrialists in the northern region, especially in the Workington constituency, have had what can only be described as a hell of a time. Throughout my constituency, factories have been emptied; whole industrial estates have been laid bare; new plants, opened under Labour in the 1960s, have been shut; and the 3,000 jobs created under Labour Administrations in the 1970s have been wiped out in net terms.

Dr. Marek: I apologise to my hon. Friend for interrupting him when he is referring to a serious set of statistics. I hope that he will not forget the extra 50 or so redundancies at Cinzano that the Government have declared tonight.

Mr. Campbell-Savours: I am glad that my hon. Friend said that the Government had "declared" those redundancies, because that reflects precisely my constituents' feelings about the loss of large manufacturing units in west Cumbria. They blame the Government.

The people, many of whom voted Conservative in 1979 and 1983 increasingly recognise that the Budget has failed to meet their expectations of what would come about with the election of a Conservative Government. In Brecon and Radnor a couple of weeks ago, I found that wherever I knocked on the doors, the people were talking about the uncaring nature of Government policy. I was stunned by their knowledge of the contents of the Finance Bill. They identified the Budget's deficiencies. They saw it not as a Budget for jobs, as the Government had presented it, but as a Budget for unemployment, and they were right. Every one who watches the Friday morning BBC programme and examines the net——

Dr. Marek: It is not only a Budget for unemployment. The national insurance changes mean that it is a Budget for low wages for those in employment. It is a doubly damaging Budget.

Mr. Campbell-Savours: My hon. Friend is absolutely right. We all know that the Government intend to force wages down in many sectors of the economy. The argument about market forces placing pressure on wages is deployed only to reduce the wages in the regions, especially in areas such as mine in west Cumbria. We reject that approach. People in the north of England who have always voted Conservative also reject it, because

[Mr. Campbell-Savours]

they believe that it is unfair. They do not believe that people's lives should be played with as this Government have done in successive Finance Bills.

My constituents wanted a Budget that would open new factories, increase demand, stem the flow of imports, create new jobs, increase wages, raise living standards and fund additional social services and public provision generally. They have seen the reverse. Those things will not happen this year, and, if what the Chancellor said last Sunday is to be taken at face value, not even the Brecon and Radnor by-election result will change the course that the Government have set for themselves. The Opposition can only appeal for a re-examination of what is happening and a re-examination of the Government's future policy. Unless the Government move on that important front, all we can see is more and more misery in our constituencies.

Dr. Marek: This will be my last intervention, but my hon. Friend has made an important point.

Mr. Deputy Speaker: Order. I should be grateful if the hon. Member would address the Chair rather than present his back to me.

Dr. Marek: I apologise, Mr. Deputy Speaker. My hon. Friend made an important point because this Administration have been in office and presented Budgets for six years. This Finance Bill contains nothing new. The Government are caught up in their policy of trying to bring down inflation, which they see as their first priority, maintaining high interest rates and cutting public expenditure. They are caught within their economic dogma. Their Budgets cannot therefore be any different. On reflection, it is what many of us expected. Will my hon. Friend argue for them to break out of their straitjacket, admit that their policies are failing and have new economic policies and a new Finance Bill?

Mr. Deputy Speaker: Order. I hope that hon. Members will not start talking about a new Finance Bill. One Finance Bill at a time is sufficient. Let us discuss the one that is before the House.

Mr. Campbell-Savours: We are discussing a Finance Bill that was rejected by a number of Conservative Members. They said that the Bill was inadequate and asked for reflation. That is my case.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

Unemployment (Isle of Wight)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Neubert.]*

1.27 am

Mr. Stephen Ross (Isle of Wight): I feel that in some ways I could have continued the Third Reading of the Finance Bill, because, although I have crossed swords with the hon. Member for Workington (Mr. Campbell-Savours) on many occasions, I agreed entirely with the remarks that he made. I intend to make somewhat similar remarks.

I want to talk about the problems of the continuing rise in unemployment on the Isle of Wight. I welcome the fact that the Under-Secretary of State for Employment, the hon. Member for Eltham (Mr. Bottomley), who has suffered as I have until this late hour, is here to reply because, as is well known, he and his wife, the hon. Member for Surrey, South-West (Mrs. Bottomley), know my constituency and its problems well.

As the Minister will be aware, the Isle of Wight has consistently sought assisted area status. The local authorities helped by local businesses, made what they thought was an especially strong case only last autumn.

As predicted then, unemployment has continued to rise and it reached a peak of 17·3 per cent. in February this year. Since 1980, over 3,000 jobs have been lost in manufacturing in my constituency, and at the same time the tourist trade upon which we rely has fallen by about 25 per cent.

On the industrial front, the long-term trends have shown a continuing decline. More men and women were out of work in June this year than in 1984. That is when we are approaching the height of the season, when the rate decreases for about three months. It is currently—I know that this will be pushed back at me—running at 12·1 per cent. which is below the national average but still much higher than the average for the south-east as a whole. We have the highest unemployment in the south of England.

Last winter, male unemployment in Ryde reached 26·7 per cent. and in Shanklin it was no less than 32·4 per cent. Those figures are reminiscent of Northern Ireland and no one should be complacent about them. Worse is about to descend upon us, because on or about 16 August '50 more jobs will go at Fibre Resin Developments in East Cowes when the firm closes its doors, despite a full order book, mostly from television manufacturers and the motor industry. I quote from the Portsmouth *Evening News* of 3 July last:

"160 lose jobs as buy-out collapses

Hopes of a jobs lifeline for a doomed Isle of Wight factory have been dashed.

The management of Fibre Resin Developments, of East Cowes, has confirmed that hopes of buying-out the plant have vanished and it will close next month with the loss of 160 jobs.

While Fibre Resin had a healthy order book its parent company, the Unitech Group of Reading, claimed fierce competition ruled out profit in the production of moulded components, particularly for televisions."

I understand there is only one other manufacturer of these products in the United Kingdom. The article goes on:

"Fibre Resin Managing Director, Mr. John Hand, and colleagues originally hoped they could find a way of turning the work into profits but now say there is only the possibility of a venture that would provide work for 'a few' employees.

They ruled out the possibility of a management takeover for the same reasons that the parent company decided to pull out of the Island—high transport costs and less demand for some of the company's TV products."

A company which is not Isle of Wight-based but which is a subsidiary of a larger company, either American or United Kingdom, and which operates on an offshore island, when it retracts, looks to see what plant it has in diverse areas of the country, particularly an offshore island, and we always suffer. To bring component parts or basic materials to the island and take them back again to the mainland costs a great deal of money. It costs something like £100 for each vehicle that comes across from the mainland.

To add insult to injury, the Desmond Norman aeroplane company is moving its base from Sandown airport to Cardiff with the aid of loans totalling £2·3 million, including £500,000, subscribed in ordinary preference shares, from the Welsh Development Agency. I note from last Friday's *Financial Times* that the agency is claiming that it has built a portfolio of around £27 million and by the end of this year it expects this will have risen to between £37 million and £40 million, invested in industrial concerns of one sort or another. Desmond Norman will, in the process, increase his current work force to about 134.

I am sure the Minister must agree with me when I say that we could have done with such a boost. We cannot offer the Desmond Norman's of this world attractive terms of that dimension. We wish him well. We are sorry to lose him, but we feel bitter about his departure, particularly as the skills are undoubtedly available to him on the Isle of Wight. The Firecracker, which we all know was one of the competitors for the replacement of the jet Provost, was designed and built on the Isle of Wight. Desmond Norman is well known as the designer, with John Britten, of the original Islander aircraft, the first 240 of which were built mostly by the British Hovercraft Corporation, but built on the island. On that self-same airfield, Mr. Richard Noble, the holder of the world land speed record, is also constructing a small plane and the county council, along with the Development Commission, have given him financial backing. But will it be enough? The aid that we have been able to provide pales into insignificance compared with the Welsh package for Desmond Norman. One can anticipate what Mr. Noble must be thinking as he sees his competitor on the other side of the airfield picking up such a large sum. It makes nonsense of the current assisted area designation.

As a member of the Select Committee on Transport, I know that marine pilotage is also under review. Some 28 of such pilots live on the islands, and some of their jobs could be in jeopardy. I could go on. The future, despite our efforts, which I believe to be praiseworthy—the Minister may confirm that, and his colleague, the Minister for Information Technology, who was on the island only last Monday thought so—is not bright. We have tried our best through both local government and local businesses to improve the position, but nevertheless, we seem to be losing.

I have only to finish by mentioning Westland, and its subsidiary, the British Hovercraft Corporation, to give an illustration of another firm that is causing us some concern. That company is our biggest industrial employer, and, as we know, is going through a difficult patch. I shall not say more, because the subject was duly aired only last Monday, but the importance of BHC to the economy of the Isle of Wight cannot be over-emphasised.

We long ago came to the conclusion that tourism and leisure are our natural growth areas, but to make this a reality, we desperately need a carrot to offer the specialist investors. Small grants from the English Tourist Board to hoteliers and others are greatly to be welcomed, but the seaside resorts of Ventnor, Shanklin, Sandown, Ryde and the sailing centre of Cowes need much more than that.

I have to return to the Principality, because when we look at what is given to places such as Rhyl and Cardiff through the EEC, we are made envious. No completely new hotel has been built in my constituency since the war. While we now have some excellent leisure centres, one or more must become of national importance if our summer season is to be substantially extended.

Cowes was again this year the home of the prestigious Admirals cup racing, but it particularly needs to upgrade its shore facilities. Representations on this subject have been made to me by senior officials in yachting, and I know that it is true. We must try to get developers with experience in leisure to take an interest in the island and invest there, but to do so we have to be able to offer them some encouragement. They will not come unless there is a carrot. Last year, our rate support grant settlement was the worst of any in the country, so local Government has even less room for manoeuvre than before.

Some will say that I have said all this before and made little progress, so why do I go on about it? The answer is, "What else can I do?" Politics is the art of the possible, and it is perhaps true that if one says the same thing often enough and long enough—I have learnt that in politics one has to go on saying the same thing over and again, however boring it may be—it will eventually attract the attention of somebody who matters. I am putting down another marker on behalf of my constituents. I hope that the Under-Secretary will do all that he can to persuade his colleague of the urgency of our case, and the need for a more sympathetic approach to our economic well-being.

1.38 am

The Under-Secretary of State for Employment (Mr. Peter Bottomley): I welcome the opportunity to listen to the hon. Member for Isle of Wight (Mr. Ross). I take seriously his final remarks about the need for persistence, and about politics as a process. If any Minister responded to the case that he outlined with a pat answer, that would do politics a disservice. I am talking not about party politics, but about the natural process of politics, which is that matters are raised in the House, through deputations and to Ministers when they visit constituencies such as the Isle of Wight. It helps to develop Government policy and approach, not only to legislation, but to other things that the Government can do, such as transferring money from one set of pockets to another. The hon. Gentleman referred to some of the incentives in Wales. Like the hon. Member, I would have liked this debate to take place earlier in the evening. I do not agree with him that the remarks of the hon. Member for Workington (Mr. Campbell-Savours) were that germane to the previous debate or to this one.

The hon. Gentleman mentioned the Admirals Cup. Perhaps it is a good omen for Britain and the Isle of Wight that one of the competing yachts was called Rubber Duck and has been re-named Phoenix. The House will recognise the efforts the hon. Gentleman has put into his

[Mr. Peter Bottomley]

constituency. Perhaps what is needed for the Isle of Wight is a resurgence of what was achieved in the early 1970s in a slightly different economic climate, when the manufacturing base expanded. It expanded because small and medium-sized firms came to the Isle of Wight. They came there for the sort of reasons outlined in the county council's case, which it put forward last year for assisted area status. It talked about the kind of people on the Isle of Wight and the kinds of skills they have. I should like to refer the House to the biography of Uffa Fox. During his early life he changed from one job to another, and that shows the sort of adaptability that is characteristic of the Isle of Wight.

In these summer months of July and August, it is important not only to talk about the unemployment in the area, but to talk about the good sides of the island. The hon. Gentleman courteously referred to the links that my hon. Friend the Member for Surrey, South-West (Mrs. Bottomley) and I have with his constituency. The numbers of people who read the *County Press* and the other newspaper in the Isle of Wight grow enormously during July and August. I hope that the headlines following this debate and other headlines which will appear in the island's newspapers during the weeks when Cowes is full of people who may be able to bring in investment into the island, will be about the adaptability of the work force in the Isle of Wight, about the successes of the Isle of Wight's schools and the kind of environment that makes people very keen to live there if they could find jobs. I hope they do not just talk about the difficulties of transportation and use the word peripherality, which is somewhat new to me. Perhaps we could look at the Isle of Wight as the place it could become, the Silicon Island of Britain. People talk about Silicon Glen and about the high-tech corridors down the M4. There are many products connected with new technology where transport costs become less significant, and where the attractions of a place like the Isle of Wight can get people not only to build their own firms there, but to put into the island some of the manufacturing and development and design processes that are so important to the modern industry of the future.

Employment in the island rests on what used to be called the three legs, but I suppose that there are actually five. The traditional ones are tourism, light industry and agriculture and fishing. To those I would add the two greatest areas of employment, which are public administration and retail distribution. It is worth noting that many of the developments in the area have made it possible for more people to do their shopping on the island. They do not have to go to Portsmouth or Southampton for that purpose. I will not answer the hon. Gentleman in detail on the pattern of unemployment during the year, because it is obvious to anyone who knows the island that it suffers severe unemployment during the winter months, and the reduction to below the national average during the summer is a seasonal trend.

I will pass on to my right hon. Friends in Government some of the points which are more properly directed to them. As one example of politics being not only the art of the possible but the art of making possible what is right, may I say how much I welcomed the response from the Isle of Wight county council to the Government's White Paper last year on changes in regional aid and assistance, gearing much more to job creation, extending aid to include parts of the service sector as well as manufacturing, trying to go for increased selectivity and a review of the assisted area maps. As the hon. Gentleman pointed out, the Isle of Wight has not been successful in getting its application approved in this process. As he and I know, politics is a moving business, and the representations made by the county council are important. Having had the chance of looking at the video film that was shown to my hon. Friend the Minister for Information Technology, I know that the Isle of Wight does manage to demonstrate many of the things that make it attractive not only in a physical sense but in a manufacturing sense. It is for that reason that the island boasts, even with the intended move of the manufacturing of NDN planes to Wales, more aircraft manufacturing businesses than almost the whole of the rest of the country put together. That shows that there are people on the island, most of them who have been there for a long time but some who have come in, who believe that it is a place where they can get their acts together and start developing their own businesses.

I add my weight, for what it is worth, to the efforts of the Isle of Wight tourist board which manages—much of the money being raised on the island—to have a budget larger than the Southern tourist board which covers a far wider area. I know from personal experience how much many of the people involved in the hotel, catering and tourist industry put in to promoting the Isle of Wight. There is much more that they can do, and my right hon. Friend the Minister without Portfolio, whose portfolio, if it does not sound too paradoxical, includes looking at tourism, will be coming forward with plans and proposals and he has been providing a focus for Government efforts, because the development of this side of the service sector is extremely important to the Isle of Wight.

As for the Development Commission, the hon. Gentleman said characteristically that rural development area status for the Isle of Wight had been important. It is also worth recognising that the island can go further. Without straying into the areas of responsibility of the local authorities on the island, I may say that it is worth people thinking whether they are always gearing their decisions towards the promotion of employment and tourism as much as they might. I am not an expert, but I recall an example two years ago of a proposed hotel development in Cowes which, it was said in public though there may have been other reasons, could not go ahead because inadequate car parking spaces had been provided. If much of the hotel accommodation needed in Cowes is tied to yachting, many people may be arriving by boat and wanting to sleep on land, and they will not bring their cars stuck on the fronts of their Admirals Cup yachts.

Mr. Stephen Ross: There were other reasons why that proposal did not meet with everyone's approval.

Mr. Bottomley: I am sure that is right. I used that as an example of how people not only can ask the Government to reconsider how they can help but can continue themselves to look for an environment for the promotion of tourism and industry.

I quote from the Isle of Wight's case for assisted area status. It says on page 14:

"Within the broader national policies for encouraging industrial development there is scope at the local level to further these aims. The Isle of Wight County Structure Plan, as approved by the Secretary of State in March 1979, laid particular emphasis on the need to increase employment opportunities. The County Council, in conjunction with the Borough Councils, the

Development Commission and CoSIRA, have been vigorously implementing the strategic employment policies through land-use planning, the active promotion and encouragement of industry and the provision of sites and buildings and also by establishing a single centre for advisory services to small firms."

I do not think that anyone would claim that people on the Isle of Wight are not doing the best they can, and I know from my own experience that both in the voluntary sector and at the local authority level people do their best to work together and, while having occasional differences of politics, dedicate themselves to the wellbeing of the Isle of Wight. It is one of the advantages of being a self-contained unit that people actually live and work in the same place rather than the difficulties faced in so many other constituencies where some of those involved live some way away from where they work.

The Development Commission has helped by funding a number of projects on the island, including an imaginative project to bring Souter's boatyard at Cowes back into productive use with a potential to accommodate more than 400 jobs. The commission, with the local authority, is also preparing a rural development programme for the Isle of Wight, which will offer a way to co-ordinate local and Government assistance to the island during the next 10 years. The hon. Gentleman referred to rate support grant. One of the areas in which the Isle of Wight has done better than other areas, has been transport grants. The island has had some of its special needs recognised, which I hope is welcomed there.

I pay tribute to the work done by CoSIRA, which works closely with the island's enterprise agency. During the past 12 months it has helped 21 firms to obtain more than £1 million in loans, and has done much to support community development. On the wider scale of the European social fund, a welcome recent development is granting the island priority status for support for training and employment schemes from 1 January 1986. Now many more types of scheme can receive funding than previously. The Department of Employment has already made contact with the Isle of Wight County Council about that. I hope that the Council and other organisations can make applications to, and benefit from that fund.

I am not saying that sufficient has been achieved, but many of the developments that the Government have been promoting are of assistance in the Isle of Wight and throughout the country. The enterprise allowance scheme helps people who have been on benefit for some time to set up in business. It is a powerful stimulant to the creation of new small businesses, and I recommend anyone who has been on benefit or under notice of redundancy for some time—if a person has been on benefit for 13 weeks, he or she will qualify if he or she can show £1,000 of his or her own, or access to that sum — to apply for that scheme, under which he or she can receive an allowance of £40 a week for a year. Our experience shows that 75 per cent. of businesses set up under the scheme still exist 15 months after they started — that is, after the allowance has run out—and that more than half of them have created jobs, not all full-time jobs, for others. Sixty jobs for every 100 businesses operating after 15 months shows that a great well of enterprise is waiting to be tapped. The enterprise allowance scheme is one way of doing that.

The scheme has been expanded by a further 25 per cent., and the Isle of Wight will share in the extra places being made available. Examples of the scheme from the island include hand-made pottery, windsurfing promotion, the sale of second-hand classical records, a magician, a successful tea room and a hairdresser. I am not suggesting that everyone should compete in those fields, but that shows the range and breadth of ideas being brought forward.

The hon. Gentleman does not need me to talk about the youth training scheme. It is vital that young people, who are important to the Isle of Wight, are not forced to emigrate, but can build up their skills and work experience on the island, and be available to take jobs that become available. YTS provides a rung on the employment ladder. The developing quality training will help them, as will the move towards a two-year YTS. It is pleasing that last year 70 per cent. of those leaving YTS on the island went into jobs. Our experience throughout the country shows that it is a valuable way for people to build up their experience and ability to be employed. The same sort of story can be told about adult training.

The community programme provides special help to the long-term unemployed. When the House goes into summer recess I shall visit the Isle of Wight to follow up some of the hon. Gentleman's remarks and for my own pleasure and education. I shall do my best to promote some of the ideas to which I have referred when meeting people on the island. I shall do what I can to encourage the advertising of the island, especially during the peak summer months. It seems ridiculous that so many people, when they have the chance, go shooting off abroad for their holidays when the range of pursuits for families on the Isle of Wight is so great and the attractions so well known. There is net immigration to the island of those aged 50 years and over, and if the island is attractive to members of that age group, many of whom are returning to the island after a working life away, it should be attractive to those who have the opportunity of taking a business to it or developing a business while there.

None of this is to deny the possibility that some of the aid that the Government provide to other areas is harming the Isle of Wight. Much of the diversion of public revenues to special assistance in certain areas costs jobs because of the nature of taxation and tends to divert jobs. The hon. Member has rightly drawn attention to an example that may be of benefit to Wales but may be of harm to the Isle of Wight.

I recognise the points that he made briefly tonight but at greater length two nights ago about the possible impact on the island of developments at Westland. I pay tribute to the staff of BHC for the way in which it has helped to diversify the work that it has managed to achieve and its order book. I hope that the company will prosper and that its example will help others to do the same.

I recognise the importance of what the hon. Gentleman said at the beginning of his speech. I attach importance also to my initial comments. The hon. Gentleman has asked that his arguments be considered properly and I shall do that within Government. I hope that it will be possible in a year's time to have a similar debate so that we can discuss some of the successes as well as some of the problems that remain to be tackled successfully. The Government will do the best that they can on the Isle of Wight and throughout the

[Mr. Bottomley]

country to raise the levels of employment and economic activity and to ensure that we represent the people whom we are here to serve in the best way possible.

Question put and agreed to.

Adjourned accordingly at three minutes to Two o'clock.

House of Commons

Thursday 11 July 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

BERKSHIRE BILL *[Lords] (By Order)*
Order for Second Reading read.
To be read a Second time upon Tuesday 16 July.

BRITISH RAILWAYS (TROWSE BRIDGE) BILL *[Lords] (By Order)*
Read a Second time, and committed.

YORKSHIRE WATER AUTHORITY BILL *(By Order)*
Order for Second Reading read.
To be read a Second time upon Tuesday 16 July.

Oral Answers to Questions

NORTHERN IRELAND

Security

1. **Mr. Proctor** asked the Secretary of State for Northern Ireland if he will make a statement on the current security situation.

2. **Mr. Yeo** asked the Secretary of State for Northern Ireland if he will make a statement on the security position.

13. **Mr. Molyneaux** asked the Secretary of State for Northern Ireland if he will make a statement on security in Northern Ireland.

14. **Mr. William Ross** asked the Secretary of State for Northern Ireland if he will make a statement on the security situation in Northern Ireland.

19. **Rev. Ian Paisley** asked the Secretary of State for Northern Ireland if he will make a statement about the current state of security in Northern Ireland.

The Secretary of State for Northern Ireland (Mr. Douglas Hurd): Since I last answered questions in the House on 13 June two police officers have died in incidents arising from the security situation in the Province. The Provisional IRA claimed responsibility for both murders. I know the House will join me in condemning these brutal murders and expressing our sympathy and sorrow to the families of the bereaved.

So far this year 275 people have been charged with serious offences, including 21 with murder and 26 with attempted murder, and 116 weapons, 6,021 rounds of ammunition and 4,010lb of explosives have been recovered. The explosive devices neutralised since 13 June included an 1,800lb bomb dismantled by the security forces in Newry on 2 July.

Mr. Proctor: My right hon. Friend will be aware that in the aftermath of the security incidents to which he referred there have been disturbing reports of cuts in police resources. Will he assure the House that no cuts have been made and that, although a limit has been imposed on the amount of overtime worked by the Royal Ulster Constabulary, the total number of police man-hours worked by the RUC has been maintained?

Mr. Hurd: Yes, Sir. Overtime is a bad guide. The RUC and its full-time reserve is now reaching a strength of 11,000 and has doubled in little more than nine years. The total number of man-hours worked by full-time officers during 1984-85, which is the best indicator of police effort, rose to its highest ever figure of 23·1 million hours.

Mr. Yeo: Will my right hon. Friend confirm that the new extradition treaty with the United States represents a significant blow to IRA terrorists who may be looking for a bolt hole?

Mr. Hurd: Yes. The new supplementary treaty which we have negotiated and which will soon, I hope, be coming before the United States Senate and this House will be a substantial help to us in dealing with terrorism, particularly in Northern Ireland.

Mr. Molyneaux: In view of the indispensable role of the part time element of the Ulster Defence Regiment, will the Secretary of State advise his right hon. Friend the Secretary of State for Defence to maintain the part-time element at its present establishment?

Mr. Hurd: The exact figures and deployment are a matter for my right hon. Friend the Secretary of State for Defence and the General Officer Commanding, but I have made clear from time to time, including in this House, the importance that I attach to the continued existence of the UDR.

Mr. William Ross: Given that the Secretary of State has to exercise a political judgment whenever we are faced with the problem of the routeing or the banning of parades which have an impact on the security situation, will he tell the House why it is that his political judgment has now created a situation in which there is disruption between those who normally support the police and the police force?

Mr. Hurd: The hon. Gentleman is wrong on a point of fact. I do not exercise a political judgment about the route of marches, nor have my predecessors. The law places that operational responsibility upon the police. That is how it is being handled this year, as in past years.

Rev. Ian Paisley: What progress has been made concerning the murder of 69 Protestants in County Fermanagh, for which no one has been made amenable in law?

Mr. Hurd: The figures for those convicted of terrorist offences in the Province as a whole this year so far show a marked increase on the figures for last year. There is always difficulty in bringing terrorists to justice. That is one reason why we are anxious to build up our security co-operation with the Republic and the United States, which was referred to in an earlier supplementary question. There are continuing real difficulties in bringing to justice those guilty of terrorist murder, but the figures show that we are tackling that problem.

Mr. Nicholson: Will the Secretary of State tell the House what progress he has made in improving the conditions in border police stations, especially for the RUC personnel going to and coming from those police stations?

Mr. Hurd: There is a large spending programme designed to do that. It is designed to catch up with the backlog of work created by the rapid expansion of the RUC, for which I have already given the figures. We have some way to go, including in the hon. Gentleman's constituency, before we can be satisfied with the outcome. As he will know, in Newry in particular and other border areas, a good deal of work is going on.

Mr. Peter Bruinvels: Does my right hon. Friend accept the terrible depression felt on both sides of the House, and indeed in the country, as more and more police are assassinated by the IRA? Does my right hon. Friend agree that we regularly see a shocking chronicle of photographs in the police magazine each month? Would it not be helpful to publicise those photographs in American magazines and daily newspapers to show the tragic way in which many brave members of the RUC have been murdered?

Mr. Hurd: That is a useful idea. It is very important that Americans, and particularly Irish Americans, realise that if they contribute funds that find their way into the pockets of the IRA, they are contributing to the murder overwhelmingly of Irishmen, particularly the gallant police officers to whom my hon. Friend referred.

Mr. Archer: Does the Secretary of State understand that the one proposition on which both traditions in Northern Ireland are agreed is that the authorities are incapable of making a decision and seeing it through? The bullying and violence are effective because Governments respond to them. I appreciate the difficult matters of judgment with which the police are being confronted, but will the Secretary of State urge upon senior police officers the fact that people in both traditions will watch events tomorrow and over the weekend to see whether lawlessness and the threat of lawlessness will pay off, and that the Government and the Opposition will give them every support in resisting it?

Mr. Hurd: I am grateful to the right hon. and learned Gentleman. The RUC is well aware of the point that he makes. The Chief Constable and his colleagues have my full support in the difficult decisions that they continue to have to make.

Marches (Government Policy)

3. **Mr. Bell** asked the Secretary of State for Northern Ireland if he will now make a definitive statement of Government policy on marches in Northern Ireland.

Mr. Hurd: The Government recognise the right of people in Northern Ireland to parade peacefully. Many such parades are held each year with no significant risk to public order. But a few are deliberately provocative and calculated to cause trouble, and others can cause difficulty because of the preferred route. In such circumstances, it is for the police to discuss the route with the organisers and if necessary for the police to order a change in the route on public order grounds. That is a decision for the RUC alone. If after considering the advice of the police it appears to me that, with or without re-routeing, a parade is likely to cause serious public disorder, I may ban it. I fully support the Chief Constable's approach and I urge those who are involved in organising these parades to co-operate with the police and, of course, to obey the law.

Mr. Bell: We welcome the Secretary of State's definitive policy on that issue and the fact that there is a mix of political judgment and operational responsibility. The difference between the two has given the impression, as we have seen today, that the Government are dithering on the issue. We are grateful for that explanation of the Government's policy. However, can the Secretary of State give us any idea of the magnitude of police resources that have to be committed to controlling marches and parades in Northern Ireland?

Mr. Hurd: I am grateful to the hon. Gentleman for his remarks. During 1984 there were more than 2,240 parades, at which some 39,000 police officers were deployed. The estimated cost of that policing effort was more than £2 million.

Rev. Ian Paisley: In the light of the statement that the right hon. Gentleman has just made, will he explain why on 3 February, 5 May, 15 May, 16 May and 23 June this year there were five illegal Sinn Fein/IRA parades through Toomebridge, yet no action was taken? At that time a shot was fired from the hotel, but because of the thinness of the police on the ground, the police were held back by an unruly mob, and it was only later that the gun that was used to fire at the police was recovered.

Mr. Hurd: The hon. Gentleman knows perfectly well that these matters come under the enforcement of the law and are for the RUC to deal with. I am sure that he has already given his version of the events of those days, or has encouraged other witnesses to give their versions, to the RUC.

Mr. Hume: Does the Secretary of State agree that the police handling of parades in Northern Ireland at present reveals many contradictions in policy? For example, why is it right to re-route a parade in Portadown tomorrow and on Saturday, whereas it was wrong to re-route last Sunday? Why was it right to prevent an Orange parade going through a Catholic housing estate in Cookstown last week, and why will it be allowed to go through that estate tomorrow? Why is it right to ban a parade in Castlewellan —and rightly so—because it is 95 per cent. Catholic, but not to do so in Pomeroy, which is also 95 per cent. Catholic? What is the basis on which these decisions are taken? Is it, as it should be, the susceptibilities of citizens along the route, or is it simply a question of which side will cause the most trouble, which is how it appears? If that is the policy, that is surrendering the ground to the men of violence on all sides.

Mr. Hurd: The hon. Gentleman's question illustrates one of the difficulties. People in both communities sometimes find it difficult to recognise a reasonable compromise when they see one. The RUC must make decisions on re-routeing place by place and parade by parade after taking account of all the local factors. That is what it is doing, and it is increasingly recognised that the RUC is handling the situation with much common sense.

Mr. Stephen Ross: I support the comments made earlier from the Opposition Front Bench, but should not

the message go out from both sides of the House that those responsible for organising marches in Northern Ireland, from whichever side they come, should abide by the decisions of the RUC and the Chief Constable? If necessary, the Secretary of State should tell them that that is what we expect this coming weekend.

Mr. Hurd: I am grateful to the hon. Gentleman. The more I listen to views, particularly private views, on this subject, the more sure I become that in Northern Ireland it is possible to celebrate a battle or a tradition without provoking or humiliating those who do not belong to that tradition. That must be the right way to handle the matter.

Mr. Proctor: When my right hon. Friend defended the highlighting of re-routeing the last time he answered Northern Ireland questions, he referred to the amount of police time used to protect marches which could have been released for other security functions. Following the highlighting of re-routeing, has police time involved in marching activities increased or decreased?

Mr. Hurd: I gave the very substantial figures for last year. If, when the Chief Constable re-routes a parade or, as in the case of Castlewellan, I ban it, and the organisers in some way defy that, police resources must then be deployed to apply the law. The right answer is for the police and the organisers to reach agreement on a sensible route. That is done in a very large number of cases, and when that happens police resources and the expenditure on policing such a parade are greatly reduced.

Mr. McCusker: Will the Secretary of State bear in mind that when the men of north Armagh tomorrow try to walk into Portadown over the route which they and their forefathers have traversed since 1796, they will be motivated not by any desire to break the laws of their country but by a sense of historic necessity to express, as they have always done, their legitimate pride in the possession of their lands and liberties? They know instinctively that they survive only by their solidarity and determination. Does the right hon. Gentleman agree that unless that is understood, the people who will be dealt with tomorrow will be dealt with, not in a manner likely to maintain the peace, but in one likely to lead to a breach of it?

Mr. Hurd: Solidarity and determination are admirable qualities, but if the hon. Gentleman is saying that they can be expressed in Northern Ireland or in Portadown only by the attempt to assert, against the law, the traditional route which originally ran through green fields and now runs past houses occupied almost overwhelmingly by Catholics, he is making a case that is incomprehensible, to use a mild word, everywhere outside the Unionist community?

Mr. Flannery: Does the Minister agree that if we all insisted on doing precisely what our forefathers had done, all kinds of frightening things would be happening in the world? Does he remember that when I spoke in the debate on the renewal of the emergency provisions I pleaded with the hon. Member for Antrim, North (Rev. Ian Paisley) not to engage in these provocations? Is it not a fact that when a leading figure makes it clear that there is an issue at stake in whether a parade goes through an area and then provokes the people in that area, the Member concerned is deliberately trying to provoke trouble when we are trying to stop it?

Mr. Hurd: Yes, but I hope that the hon. Gentleman will apply the same morals and lessons to those whose company he frequents and favours in the North. The respect for the law, the sensitivities, the rights and the lives of others whom he exemplified in his question is not always evident in their actions.

Mr. Beggs: Does the right hon. Gentleman accept that the sight of a Union flag, a poppy or any other expression of British identity is seen as provocative by many supporters of the SDLP and Sinn Fein? Does he recognise that the banning or re-routing of traditional, Orange and Loyalist peaceful parades can contribute only to the establishment of anti-British ghettos, where the forces of the Crown are unwelcome and people are unable to express their loyalty to the constitution and the Crown?

Mr. Hurd: One of the problems is that there are many symbols in Northern Ireland and many people in both communities who are determined to provoke and be provoked. However, I do not think that the hon. Gentleman, with his record and his view, believes that Northern Ireland can make progress out of its many difficulties if, in either community, it is felt that the only way to preserve identity or solidarity is to do and say things designed to humiliate others.

Rev. Martin Smyth: Do the figures which the Secretary of State has given us show how much police time was involved in dealing with parades that were not notified? Is any record kept of unnotified parades? Will he acknowledge that the interference of self-appointed protectors outwith the United Kingdom have done more than anything else to inflame the attitude of Loyalists, at this time of the year, towards parades?

Mr. Hurd: I understand that point. I do not have the figures for which the hon. Gentleman asked. By definition, it is difficult to have figures on meetings or gatherings that are not notified, but I shall look into the matter.

Terrorism (Evidential Proof)

4. **Mr. Maginnis** asked the Secretary of State for Northern Ireland what consideration he has given to the difficulties faced by the Royal Ulster Constabulary in obtaining evidential proof sufficient to satisfy the courts of the guilt of individuals believed by the police to be involved in terrorist activities.

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Nicholas Scott): My right hon. Friend and I are aware of the difficulties which the Royal Ulster Constabulary has in obtaining such evidence, but we remain convinced that it is right that alleged terrorists should be brought before the courts for trial against an evidential standard of "proof beyond reasonable doubt".

Mr. Maginnis: Is the Minister telling us that he will take no new steps to ensure that known terrorists do not continue to avoid justice in Ulster, are able to continue their murder on our streets and, indeed, to bring murder to the streets of Great Britain, as some recently have intended? Does the Minister admit that since the Bennett report that which in Great Britain has been accepted as a normal interpretation has been substituted in Ulster for a process more akin to the cosy interview?

Mr. Scott: I do not agree with that last comment. The figures given by my right hon. Friend earlier show the

success which the security forces have had in arresting and charging people and bringing them before the courts. We must understand that terrorists are determined to undermine law and order. That is their principal objective. If we move away from strict standards in enforcing the law we shall be doing their job for them.

Mr. Dickens: Does my hon. Friend accept that as surely as night follows day the House will in the fullness of time have the common sense to reintroduce capital punishment for terrorism in response to public demand? When that day comes, will it not be necessary to ensure that the people concerned have a proper trial? Is my hon. Friend aware that nothing will convince me that those who have escaped from the Maze prison have not struck and killed again?

Mr. Scott: On recent evidence I see no possibility that the House will be prepared to reintroduce capital punishment for murder, even for terrorist offences. To give a personal view, I do not believe that its reintroduction would increase stability in Northern Ireland.

Lear Fan Project

5. **Mr. Michael McNair-Wilson** asked the Secretary of State for Northern Ireland if he will make a further statement about the winding-up of the Lear Fan project.

The Minister of State, Northern Ireland Office (Dr. Rhodes Boyson): Since the events described in my reply to my hon. Friend the Member for Hazel Grove (Mr. Arnold) on 3 June, the company has filed under the appropriate United States bankruptcy code and the United States courts have appointed an interim trustee to administer the company's assets in the United States.

The receiver appointed by Her Majesty's Government has not yet completed his review and assessment of the assets of the company. Until he has, it will not be possible to estimate how much might be recovered.

Mr. McNair-Wilson: From that answer, should I conclude that something might be salvaged from the company's liquidation? In view of the large sums of public money lost in De Lorean and now in Lear Fan, what lessons can be drawn from these unhappy stories, and in particular how can we improve monitoring the use of public money?

Dr. Boyson: About £4 million was saved through the company going into liquidation at that time. We trust that more will be saved. That money would have been spent if the company had continued to trade.

Mr. Skinner: The old story.

Dr. Boyson: It is a new story as well as an old story, and the hon. Gentleman should listen to the new story. Any Government of any colour investing in Northern Ireland must make two decisions about helping companies from abroad. The first is to assess how much private money is involved or whether it will all come from Government.

Mr. Skinner: Market forces.

Dr. Boyson: If the hon. Gentleman will listen, he will hear about market forces. At first Lear Fan operated largely with Government money, then, for every £2 of private money, £1 of Government money was used. At the end all the money was private. It is vital for more private money to be invested at the beginning of such projects.

We should be careful when dealing with risk enterprises at the frontiers of technology which no one wants to back in their countries of origin. We should look for blue chip companies which already have good products. That is what we want in Northern Ireland.

Mr. Campbell-Savours: Is not the appalling unacceptable embarrassing, unpalatable and terrible truth that violence does pay in Northern Ireland when Governments insist in backing projects such as Lear Fan and De Lorean for which no commercial plan works? Is it not about time that the Government reviewed their policy? Why has the Minister refused, despite repeated requests from the Opposition, to come to the Dispatch Box to make a full statement and to stand hon. Members' questioning? After all, £50 million of public money is involved.

Dr. Boyson: I enjoyed the exercise in adjectives at the beginning of the hon. Gentleman's question. He certainly deserves a CSE grade 1. The answer to the second part of his supplementary question is that much Government money has helped companies, including—in the far past—when the Labour party was last in office. That has continued under the present Government, and about three quarters of new jobs in Northern Ireland last year resulted from the activities of companies owned abroad which had been encouraged by the Government of Northern Ireland to invest in the Province.

Mr. Couchman: Will my hon. Friend reassure the House that, notwithstanding the polemics of the hon. Member for Workington (Mr. Campbell-Savours), his Department will not lose sight of the fact that money will have to continue to be poured into Northern Ireland's industry to regenerate the economy there and to provide the employment which will, more certainly than anything else, take the gunmen off the streets?

Dr. Boyson: I entirely agree with my hon. Friend. It is vital that outside investment comes into Northern Ireland. It is similarly vital that small businesses there should grow, and we shall give every encouragement to that. I remind the hon. Member for Workington (Mr. Campbell-Savours) that a reduction in violence encourages people to invest in the Province.

Mr. Bell: Has the Minister been able to resolve the question whether the assets of Lear Fan Jet, by way of blueprints and plans, are vested in the United States corporation and can, therefore, be developed by another American company, to the detriment of the British taxpayer?

Dr. Boyson: That matter has concerned us all, and lawyers are looking into it. I cannot, therefore, give the hon. Gentleman a straight yes or no answer. It has been obvious for some time that the patent rights are ours and will be for a time. As soon as I can give the House a definitive answer on that, I shall be delighted to do so.

Rev. Ian Paisley: Is the hon. Gentleman happy about the role played by the nominees of the IDB on the boards of such companies? Surely, if these men are doing their work properly, they can raise the alarm sooner about companies going wrong.

Dr. Boyson: There were two nominee directors on the Lear Fan board, appointed by the Government through various Departments. Warnings were given. However, if we had pulled the skids from under Lear Fan and not put the money in, we could have been sued because there was a tight agreement for every penny. We could also have been sued for breaking our word, and that could have cost us a lot more. We were warned about that and we told the directors about it. Eventually the decision was made by the company to cease trading, and that saved us much more money than would have been the case had we come out and had to pay for nothing at the end.

Devolution

6. **Mr. Hunter** asked the Secretary of State for Northern Ireland what further consideration he has given to rolling devolution for Northern Ireland; and if he will make a statement.

Mr. Hurd: The Northern Ireland Act 1982 continues to offer a flexible and practical framework for devolving powers to representatives of the Northern Ireland constitutional parties. The crucial requirement for any scheme for a devolved administration is that it should command widespread acceptance throughout the community.

Mr. Hunter: I thank my right hon. Friend for that answer. May I ask him to clarify matters still further, first by refuting the charge that, in relation to rolling devolution, he is merely paying lip-service to the ideals of his predecessor, and, secondly and more positively, by asserting that the concept and implementation of rolling devolution is central to his overall strategy for the Province?

Mr. Hurd: Yes, and we must not lose sight of the aims of the 1982 Act. If the constitutional parties in Northern Ireland could bring themselves to reason together on these constitutional matters, they would be doing Northern Ireland a great service, and I shall use what weight I have to move them in that direction.

Mr. Maclennan: Is there the slightest evidence that the constitutional parties share the Government's view as to the desirable objectives in this matter?

Mr. Hurd: Yes, there is the slightest evidence if one reads their published documents. We must now turn that slight evidence into something more positive and definite.

Cross-Border Co-operation

7. **Mr. Parry** asked the Secretary of State for Northern Ireland if he will make a statement on cross-border co-operation between the Province and the Irish Republic.

Mr. Hurd: The two Governments are on good terms and seek to co-operate closely on matters where their interests coincide. Cross-border co-operation on security is particularly valuable. There is certainly scope for improvement, and such improvement must be one of our main aims.

Mr. Parry: Will the Secretary of State accept that the recent re-routing of Protestant marches in Catholic areas will be a setback to British-Irish relations in Northern Ireland? Will he also accept that such action is the best recruiting sergeant for the Provisional IRA and Noraid in America? In future, will he consider banning such provocative marches, rather than backing down to the hon. Member for Antrim, North (Rev. Ian Paisley)——

Mr. Speaker: Order. The question is concerned with cross-border co-operation.

Mr. Stanbrook: If we can persuade the Government of the United States to deprive terrorists of immunity from extradition, why cannot we similarly persuade the Government of the Irish Republic?

Mr. Hurd: The courts of the Irish Republic have shown in the McGlinchy case and the Shannon case a greater awareness than in the past of the argument that my hon. Friend is advancing. We would like to move further in that direction.

Mr. McCusker: Does the Secretary of State recall the controversy that arose a few weeks ago when the Chief Constable of the Royal Ulster Constabulary alleged that explosives used in the bomb that killed four police personnel at Kileen originated in the Irish Republic? Has co-operation between the police forces of the two parts of Northern Ireland established whether that explosive originated in the Irish Republic? Did the large amount of explosives found in Newry a few days ago also originate from the Republic?

Mr. Hurd: The investigation into the Kileen bombing is continuing. The hon. Gentleman has put his finger on one of the main areas of cross-border co-operation, as I see it. The Provisional IRA has large quantities of home-made explosives available to it. Some of the material is converted into explosives in the North and much of it is converted in the South. This is an area where co-operation and concerted action essential.

Dr. Mawhinney: Does my right hon. Friend accept that cross-border security is causing a great deal of confusion? We are told that co-operation is valuable and close, but we are also told that the heads of the two police forces will not talk to each other and that Dublin politicians reject any suggestion that Northern Ireland terrorists are enjoying refuge in the Republic. Can my right hon. Friend help to throw some light on this confusion?

Mr. Hurd: I do not know whether there is a great deal of confusion. As my right hon. Friend the Prime Minister and I have often said, the experience is a mixed one. Security co-operation between the two countries is valuable and it should be improved. One form of improvement would be for meetings to take place between the RUC and the Garda at the most senior level as a matter of course.

Newry

8. **Mr. Holt** asked the Secretary of State for Northern Ireland how much public money has been invested in Newry in each of the last four years.

Dr. Boyson: Public expenditure within the Northern Ireland block is not determined on a geographical basis, and it is not possible to identify separately all expenditure in Newry.

I will, with permission, Mr. Speaker, provide my hon. Friend with a tabular statement in the *Official Report* of certain expenditure over the last four years which has gone to Newry town and Newry and Mourne district.

Mr. Holt: I am grateful to my hon. Friend for his answer, as far as it goes. However, on the evidence that I saw, there are many new buildings, including arts centres, theatres, sports stadiums and swimming pools, in Newry. Does he agree that towns of a similar size in the north-east of England, such as Guisborough in my constituency, could well do with some resources directed towards them and away from Northern Ireland?

Dr. Boyson: If my hon. Friend is concerned about expenditure in his area, he should take up the matter with the relevant Ministers. There is a separate Northern Ireland block and that is the basis on which decisions are made. Newry is an area of high unemployment. The last check revealed an unemployment rate of 31·5 per cent.——

Mr. Holt: That is not as high as in my constituency.

Dr. Boyson: There are many other difficulties in Newry and we have given priority to law and order in Northern Ireland. I am sure my hon. Friend will agree that that is the right policy. Expenditure has been directed also to promote industrial development and to replace bad housing.

Mr. Nicholson: Will the Secretary of State take this opportunity to condemn the Provisional IRA and other terrorists for continuing their attacks on human life and property in the Newry area? The necessary investment in the Newry area cannot take place while the attacks continue.

Dr. Boyson: I agree entirely with the hon. Gentleman. On 28 February nine people were killed in Newry as a result of a mortar attack. If we can extend law and order more effectively throughout the Province there will be a considerable saving of expenditure as well as of life.

Following is the statement:

£000

	1981-82	*1982-83*	*1983-84*	*1984-85*
Selective Financial Assistance to Industry*	633	865	5,063	3,935
IDB Factory Building*	105	833	673	562
Newry Government Training Centre (New Works and capital equipment)*	55	129	21	79
Tourism*	—	—	—	21
Roads†	2,752	3,187	4,531	5,282
Water & Sewerage‡	2,724	2,932	3,316	3,614
Historic Monuments & Buildings†	24	29	24	72
Works Service*	—	4	96	198
NI Housing Executive*	3,500	5,600	4,800	5,400
Grants to Housing Associations*	—	—	—	297
NI Railways*	—	—	—	223
Ulsterbus Limited*	—	—	—	55
Education & Library Board Capital Expenditure†	327	870	678	367
Voluntary Schools†	724	1,088	1,466	1,829
Voluntary Youth Projects†	—	54	239	15
Sport, Recreation & the Arts†	421	439	626	287
Health & Personal Social Services (Capital Expenditure)*	158	113	162	1,125
Newry & Mourne District Council Capital Expenditure (Gross)†	1,227	1,474	2,606,000	1,650

* Figures for town of Newry.
† Figures for Newry & Mourne District Council Area.
‡ Figures for Newry sub-division of Water Service includes Newry & Mourne and Banbridge DC areas.

IRA (American Assistance)

9. **Mr. Peter Bruinvels** asked the Secretary of State for Northern Ireland if, when he last met the United States ambassador, he discussed assistance from American citizens to the Irish Republican Army.

Mr. Hurd: I saw the ambassador on 28 June and our confidential discussion ranged widely.

I have no doubt about the United States Government's opposition to those who support terrorism. They have discouraged Americans from contributing funds to organisations supporting terrorist groups and have shown themselves ready to see action taken against those who break the law.

Mr. Bruinvels: I thank my right hon. Friend for confirming the views of this country that no funds should be given by Irish Americans to the IRA. Will he make it clear that the attitudes and activities of the hon. Member for Birmingham, Ladywood (Ms. Short) in effectively supping with the devil in attending many meetings with supporters of the IRA in America and seemingly enjoying the hospitality of Noraid do not help this country? Does my right hon. Friend agree that these activities bring the views of Parliament very much into ill-repute? Will he condemn that behaviour and confirm that the rest of the country will not tolerate it?

Mr. Hurd: I have no knowledge of or any responsibility for the activities of the hon. Member for Birmingham, Ladywood (Ms. Short). Anyone who goes to the United States and is in any way beholden to Noraid should be well aware of the connection with Sinn Fein and the IRA.

Health and Social Services Boards

10. **Mr. A. Cecil Walker** asked the Secretary of State for Northern Ireland, pursuant to the answer given to the hon. Member for Belfast, North by the Parliamentary Under-Secretary, the hon. Member for Bath (Mr. Patten) on 19 June, *Official Report*, column 146, if he will give the reasons for not placing the full accounts and auditors' reports for the health and social services boards in Northern Ireland in the Library.

Mr. Chris Patten: I have nothing to add to the answer I gave to the hon. Gentleman on 19 June, but if there is

any particular matter about which he is concerned I shall have it followed up if he will let me have the appropriate details.

Mr. Walker: In view of the disquieting reports of the serious malpractices in the Royal Victoria hospital, especially in the laundering, quartering, transport, security and catering divisions, does the hon. Gentleman agree that by not taking action to publish the health and social services reports he will arouse suspicion that there is a cover-up in his Department?

Mr. Patten: There is no question of any concealment. We follow exactly the same practices as the rest of the United Kingdom. The auditors' report on each of the health boards is made available to the Comptroller and Auditor-General, and he reports to Parliament on the summary of accounts.

Mr. Archer: Does the Under-Secretary of State have any plans for dealing with the crisis which now obtains at the Royal Victoria hospital through staff cuts and especially in relation to medical reports—which cannot be traced because they are lying about on the floor—and security, which is so starved of resources that the staff are physically in danger.

Mr. Patten: If the right hon. and learned Gentleman had had the courtesy when he visited the Royal group of hospitals the other day to agree to meet the chairman of the board as well as the NUPE shop stewards, he would have heard that the Royal Victoria hospital has a budget of £84 million a year, that it is one of the most expensive hospital sites in the country and that we are doing a good deal to try deal with the records. For example, the board has appointed summer relief staff. Unfortunately so far, the organisation and methods study into medical records, which could bring about a great improvement, has been blocked by the trade unions.

11. **Rev. Martin Smyth** asked the Secretary of State for Northern Ireland what steps he proposes to take following the report of the Comptroller and Auditor-General for Northern Ireland on the health and social services board accounts, about financial procedures in the north and west Belfast districts of the eastern board.

Mr. Chris Patten: The north and west Belfast district is now reorganised into three units of management, new senior staff are in post and new systems are being introduced. The board is providing regular progress reports on these matters to the Department. I note in the Comptroller and Auditor-General's report for 1983-84 that he accepts that a determined effort has been and continues to be made to improve the position.

Rev. Martin Smyth: I thank the hon. Gentleman for the information that those steps have been taken. Is he satisfied that such steps will deal with the misuse of overtime and other abuses at the hospital? Will this release more funds for patient care? May we assume that the clique of Republicans, who have been using the system in the royal to deny this money to the patients, will continue?

Mr. Patten: Those are the objectives of the management which is attempting to ensure that the Royal Victoria, like every other hospital in the United Kingdom, lives within its budget.

Mr. Archer: Is it in order for the Under-Secretary of State to mislead the House by suggesting that I discourteously refused to see the chairman of the eastern health board, when the contrary is true? I was anxious to see the chairman, but, understandably, he was not in a position to see me. I tried to see him.

Mr. Patten: If what the right hon. and learned Gentleman says is correct, I shall certainly withdraw what I said. I understood that the chairman of the board had turned up at the hospital to meet the right hon. Gentleman, but that the right hon. and learned Gentleman had failed to meet him.

Mr. Archer *rose*——

Mr. Speaker: Order. The same rules must apply to everyone.

Terrorism

12. **Mr. Dubs** asked the Secretary of State for Northern Ireland if he has any new proposals to defeat terrorism in Northern Ireland.

Mr. Hurd: Terrorism can be eradicated only by steadily applying firm security policies operating under the law. This needs the support of the whole law-abiding community in Northern Ireland and the co-operation of the police forces of the United Kingdom and the Irish Republic. The measures taken need to be flexible and constantly adapted to stay one step ahead of the terrorists.

Mr. Dubs: Why will the Secretary of State not accept that what would undermine the IRA in Northern Ireland and its political supporters more than anything else is a successful conclusion to the talks between London and Dublin and for the Republic to have a significant say in the affairs of Northern Ireland? That is the possibility that causes so much apprehension in the minds of the IRA, so why will the Minister not accept it?

Mr. Hurd: It is wholly naive to suppose that those who are killing their fellow citizens will be turned into decent citizens just because some agreement is reached between London and Dublin. There is everything to be said for an agreement, but the hon. Gentleman does the case no service by exaggerating it.

PRIME MINISTER

Engagements

Q1. **Mr. Thurnham** asked the Prime Minister if she will list her official engagements for Thursday 11 July.

The Prime Minister (Mrs. Margaret Thatcher): This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today.

Mr. Thurnham: Does my right hon. Friend agree that the best way to reduce unemployment is to lighten the burden of taxes and interest rates on employers and employed alike by sensible and firm control of public spending? Is she aware that the success of Government policies is evidenced by new factories and shops as well as a new road, a new railway and a new hospital to be built in Bolton?

The Prime Minister: I agree wholly with my hon. Friend and I am very pleased that our firm policies have borne such excellent fruit in his constituency.

Mr. Kinnock: Did the Prime Minister remind her colleagues at this morning's Cabinet meeting that, since she came to office, public spending has risen by a record 16·5 per cent., and did she tell them whether they should complain or boast about that record, as they do not seem to know?

The Prime Minister: At this morning's meeting the Cabinet confirmed the public expenditure totals published in the Red Book of £139 billion for 1986-87 and £144 billion for 1987-88. Our objective is to try to reduce public spending as a proportion of national income. Public spending as a proportion of national income hit a peak under the Labour Government.

Mr. Kinnock: Does the Prime Minister intend to achieve that by cutting investment, or by cutting current expenditure on, for instance, benefits? Does she intend to continue the course which, depite the pleas of the CBI, has brought cuts of 6 per cent. on repairs, 6 per cent. on roads and 54 per cent. on housing, while running a budget that has increased taxation as a proportion of gross national product from 36 to 42 per cent.? Which of those records is she proud of?

The Prime Minister: Public expenditure this year is £134 billion. As I have said, it will be £139 billion next year. As the right hon. Gentleman knows, within the totals certain programmes have priority. Health and pensions, in particular, have had priority. As the right hon. Gentleman well knows, we have protected capital expenditure. When the Labour Government had to reduce expenditure enourmously at the instance of the International Monetary Fund the then Chief Secretary, now Lord Barnett, said that

"it was politically easier to cut capital than to cut current expenditure".

and that under the Labour Government.

"The misery was shared out although the cuts disproportionately affected capital rather than current expenditure, as was invariably the case."

The Labour Government cut capital expenditure. We have increased it.

Mr. Kinnock: The right hon. Lady is misleading the House, even on her own figures. If she will look at her own White Paper on public expenditure, she will discover that the overall capital programme in real terms is down from £20 billion to £19 billion over the past six years. Will the right hon. Lady now tell us the answer to the question whether the Conservative party should be boasting or complaining about the 16·5 per cent. rise in public spending? Should it be complaining or boasting about the 6 per cent. rise in the share of GNP on taxation? Is the right hon. Lady proud of spending, or is she proud of cutting? Is she an Iron Lady—*[Interruption.]*

Mr. Speaker: Order. Mr. Kinnock.

Mr. Kinnock: Conservative Members are only delaying things. I was asking the Prime Minister whether she is proud of her record as a spender, or as a cutter. Is he an Iron Lady or is she a closet flexi-toy?

The Prime Minister: Compared with the Labour Government's record, all members of my Government and Back Benchers should be proclaiming this Government's record with great pride. In practice, the last Labour Government — *[Interruption.]* In practice — *[Interruption.]*

Mr. Speaker: Order. I ask the House to hear the answer.

The Prime Minister: In practice, the last Labour Government cut expenditure on hospitals by 35 per cent. Capital expenditure on hospitals is now up by 23 per cent. Labour cut expenditure on roads by 33 per cent. The Conservatives have now put it up by 25 per cent. Labour cut capital expenditure on water by 29 per cent. Last year we put it up. The Labour Government's record was appalling.

Sir Peter Tapsell: Do not the last two questions by the Leader of the Opposition indicate that, to his usual gift of loquacity, he has now added economic schizophrenia?

The Prime Minister: I am grateful to my hon. Friend for his astute observation.

Mr. Dalyell: When the Prime Minister talked of flexi-toys, which of her distinguished colleagues did she have in mind?

The Prime Minister: None of mine; some of those on a certain Bench below the Gangway who are prepared to attune their policies to every by-election, whatever constituency it may be.

Q2. **Mr. Dover** asked the Prime Minister if she will list her official engagements for Thursday 11 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Dover: Will my right hon. Friend take the opportunity today to pay tribute to those involved in the repair work to the M1 in Hertfordshire, and particularly the contractors? Will she respond positively to the calls by the TUC and CBI for more road repair work?

The Prime Minister: I gladly congratulate all those who have virtually completed the repair work on the M1 ahead of time. I congratulate those who did the work, and my right hon. and hon. Friends at the Department of Transport who arranged it so excellently.

May I point out that spending on major motorway repairs is up by more than 50 per cent. in real terms. *[Interruption.]*

Mr. Speaker: Order. The hon. Member who asked the question has a right to hear the reply.

The Prime Minister: The M1 is a splendid example of the fact that, since 1978-79, spending on major motorway repairs has increased by more than 50 per cent. in real terms.

Dr. Owen: Does the Prime Minister have any idea of the consequences for district health authorities of the Government's failure to meet the full bill for the desirable increase in nurses' pay? Does she accept that it will involve ward closures, cuts in services and the postponement of equipment purchase on a massive scale? Does she agree that if we will the end of increasing nurses' pay, we should provide the means for the NHS to meet the bill?

The Prime Minister: This Government have provided far more in real terms than did the Government of whom the right hon. Gentleman was such a proud member. The Labour Government cut the National Health Service budget in real terms in two years. The expenditure must be met either from the enlarged budget during this Administration, or through increased taxation. Which would the right hon. Gentleman choose? If it is met by

increased taxation, we would be taking money out of people's pockets and losing the jobs which the expenditure of that money would have created.

Dr. Michael Clark: Does my right hon. Friend agree that the decision by the Foreign and Commonwealth Office to require foreign diplomats in this country to pay their parking fines should be welcomed? Does she also agree that it should be extended so that diplomats in Britain either obey the rest of our laws or are sent home?

The Prime Minister: I share my hon. Friend's views and congratulate my right hon. and learned Friend the Foreign Secretary on the very firm stand that he has taken.

Q3. **Mr. Dubs** asked the Prime Minister if she will list her official engagements for Thursday 11 July

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Dubs: Can the Prime Minister say whether, after six years of her Government, the British people have derived any benefit from North sea oil?

The Prime Minister: Yes, of course. First, they have derived a great deal of benefit in income, which has been pumped straight out into services such as the National Health Service and law and order. The money has gone straight into the annual budget and straight out again. The income has enabled us gradually to replace that asset with overseas assets, which will continue to bring in income long after North sea oil has gone. When we came to power, overseas assets were worth £12 billion; now they are worth £76 billion. They regularly produce income in interest and dividends and give us a high invisible surplus to add to our balance of payments.

Mr. Michael McNair-Wilson: In view of the remarks of the Lord Chief Justice this week about the role of television and television news reports in perpetuating violence, does my right hon. Friend believe that there is now a case for a broadcasting council?

The Prime Minister: Of course, I am always prepared to consider that. I very much welcome what the Lord Chief Justice said and I hope that the BBC and the Independent Broadcasting Authority will take note of it. The amount of violence that is seen on television is bound to have an effect on those least able to adjudge it.

Q4. **Mr. Leighton** asked the Prime Minister if she will list her official engagements for Thursday 11 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Leighton: Can the Prime Minister explain why all the pundits and commentators now say that she is no longer an asset to the Conservative party?

The Prime Minister: In that case, I wonder why the hon. Gentleman attacks me so fiercely.

Mr. Adley: Is my right hon. Friend aware that she is much better off relying on the views of the thousands of paid-up members of the Conservative party in my constituency than on her reputation among what the hon. Gentleman calls the media pundits? Now that we can look back at the Brecon and Radnor by-election dispassionately, does she agree that the MORI poll—although that company is now discredited—undoubtedly had a considerable effect on the outcome? Notwithstanding the fact that media hype is part of the stock in trade of the Liberal party, should we not reconsider, as do other European countries, the role of opinion polls in public elections?

The Prime Minister: Doubtless hon. Members will wish to consider that policy. As my hon. Friend is aware, it has never been any part of my policy to put undue constraints on those matters unless there is considerable reason for doing so.

Dr. David Clark: Has the Prime Minister had time today to read the report of the bombing and sinking of the Greenpeace ship Rainbow Warrior in Auckland? I realise that Greenpeace has embarrassed many people, but it has harmed none. Will she cable Prime Minister Lange and tell him that if he wishes we shall offer them all the facilities of the British services to try to track down the people who perpetrated that crime?

The Prime Minister: I appreciate the anxiety that the hon. Gentleman expresses. It is a matter for the New Zealand police. We await the outcome of the inquiries. If they ask for help, of course we shall consider giving it.

Mr. Parry: On a point of order, Mr. Speaker.

Mr. Speaker: Does it arise out of Question Time?

Mr. Parry: Yes, Mr. Speaker. As I was not called on question No. 3——

Mr. Speaker: Order. I know that the hon. Member was not called on question No. 3, but he was called on question No. 7. I think that he asked the supplementary question that he intended for question No. 3. I cannot help him. He was out of order.

Mr. Parry: As I received no reply, I shall raise the matter on the Adjournment as soon as possible.

Mr. Faulds: On a point of order, Mr. Speaker, arising directly out of Prime Minister's Questions. You are renowned for your generosity and kindliness. *[Interruption.]* I am not after a job. In view of that, I wonder whether you could arrange for the Prime Minister to be sent on a long sabbatical, because she is obviously tiring. She would then have a chance to rethink all her policies.

Mr. Speaker: Thankfully, we are all going on a long sabbatical soon.

Business of the House

3.32 pm

Mr. Neil Kinnock (Islwyn): May I ask the Leader of the House to state the business for next week?

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): Yes, Sir. The business for next week will be as follows:

MONDAY 15 JULY—Opposition Day (18th Allotted Day). (Second part). Until seven o'clock there will be a debate on the funding of pay awards in the National Health Service, on a motion in the names of the leaders of the Social Democratic and Liberal parties.

Remaining stages of the Oil and Pipelines Bill.

Consideration of Lords amendments to the Trustee Savings Banks Bill.

TUESDAY 16 JULY—Motions on the Rate Support Grant Supplementary Report (England) (No. 3) 1982-83 (House of Commons Paper No. 504); the Rate Support Grant Supplementary Report (England) 1985-86 (House of Commons Paper No. 478); the Welsh Rate Support Grant Supplementary (No. 2) Report 1983-84 (House of Commons Paper No. 448); and the Welsh Rate Support Grant Supplementary Report 1985-86 (House of Commons Paper No. 449).

WEDNESDAY 17 JULY — Remaining stages of the Administration of Justice Bill *[Lords]*.

Motion on the Rate Reduction (City of Edinburgh District) 1985-86 Report.

Motion on the Revaluation Rate Rebates (Scotland) Order.

THURSDAY 18 JULY—Estimates Day (4th Allotted day). Until seven o'clock there will be a debate on Estimates relating to export promotion. The Question will be put on all outstanding Votes and Estimates.

Remaining stages of the Insolvency Bill *[Lords]*.

FRIDAY 19 JULY—Motions on the Betting, Gaming, Lotteries and Amusements (Northern Ireland) Order; The Nursing Homes and Nursing Agencies (Northern Ireland) Order; and the Gas (Northern Ireland) Order.

MONDAY 22 JULY — Consideration of Lords amendments to the Social Security Bill and the Interception of Communications Bill and any Lords amendments which may be received to the Sporting Events (Control of Alcohol, Etc.) Bill.

Remaining stages of the Bankruptcy (Scotland) Bill *[Lords]*.

Motion on the House of Commons Disqualification Act 1975.

It is expected that the Chairman of Ways and Means will name opposed private business for consideration at seven o'clock.

The House will wish to know Mr. Speaker, that subject to progress of business it is hoped to propose that the House should rise for the Summer Adjournment on Friday 26 July until Monday 21 October.

Estimates to be considered Thursday 18 July:

Class IV, Vote 4 (Export Promotion, Trade Co-operation, Corporate and Consumer Affairs):

Section A (Export Promotion) and Section B (Trade Co-operation) so far as they relate to United Kingdom trade with China.

Mr. Kinnock: Yesterday, on a point of order, my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) raised the fact that the Home Secretary had slipped through in a written answer an announcement on the Government's changes in the immigration rules. As a parliamentarian himself, does the Leader of the House agree that it would be much more appropriate to make a full statement to the House so that the Home Secretary could be questioned immediately on a matter of major constitutional and human concern to many thousands of people in Britain. Will the right hon. Gentleman make up for the omissions of the Home Secretary and arrange an early debate in Government time so that we can give full consideration to a matter which is shabby and unjust and a cause of great anxiety to thousands of families in Britain?

Will the right hon. Gentleman ensure that we have an early statement from the Secretary of State for Education and Science on teachers' pay as we are at the end of school terms and the Secretary of State has not been effective in dealing with an increasingly grave matter?

May I press the right hon. Gentleman to provide time for a debate on the Government's attitude towards South Africa? Does he agree that the mounting domestic repression in that country, the change in the attitude of the United States Congress, the recent revelations about the behaviour of the South African arms industry in this country and the attacks on Botswana are matters that would benefit from consideration in the House?

Why has the debate on the Scottish rate rebates order been tacked on to the end of a long and busy day next Wednesday? Have the Government a guilty conscience about the missing £20 million—the amount by which the promised £50 million has been reduced since the Secretary of State for Scotland and the Prime Minister made that promise at the Conservative party conference? Should not the House be accorded a much better time of day in which to consider this major matter of general importance which is of special importance to the people of Scotland?

Mr. Biffen: Perhaps I might take the right hon. Gentleman's points in the sequence in which they were presented. I dissociate myself totally from his strictures against my right hon. and learned Friend the Home Secretary concerning an announcement about a change in the immigration rules, but I agree that there is a good case for a debate on this matter. Perhaps we could pursue it through the usual channels.

I shall of course make known to my right hon. Friend the Secretary of State for Education and Science the right hon. Gentleman's anxiety about a statement on teachers' pay. The right hon. Gentleman will realise that at this very moment discussions are taking place, the conclusion of which will probably condition how we should proceed.

I note the right hon. Gentleman's interest in a debate on South Africa. Again, I in no sense underwrite the language he used, but it is a valid request which we could consider through the usual channels.

I know that we are in that rather delicate stage of the session when political motives are invested with all kinds of lurid characteristics, but I do not think that there is any reason for taking the motion on the Revaluation Rate Rebates (Scotland) Order at the proposed time on Wednesday evening other than the crowded condition of the order of business which I have announced this week, which is related to what I believe is a universally welcome aspiration—to rise by Friday 26 July.

Sir Frederic Bennett (Torbay): The Leader of the House will have noted that on the Order Paper there is a number of motions expressing different points of view about the strategic defence initiative, but all of them have in common a request for a debate as soon as possible on the subject. Does he agree that, as the other place has had no fewer than four debates this year on the matter, that every Western European Parliament except ours has had a similar debate and that the Western European Assembly has also had a debate, he should consider providing an early opportunity for a debate when the House reassembles so that we are no longer the only Western European Parliament not to have discussed this important subject?

Mr. Biffen: I understand the importance that my hon. Friend attaches to this subject, but I would point out to him that it was available for discussion during our recent two-day debate on the Defence Estimates. Nevertheless, I shall bear his remarks in mind.

Mr. Sydney Bidwell (Ealing, Southall): May I reinforce the plea of the Leader of the Opposition for a clear statement by the Home Secretary on the change in the immigration laws? Because of a reply to a written question the situation is obscure. This matter should not be lost sight of during the normal feverish activities of July.

Mr. Biffen: I understand the hon. Gentleman's point. That is why, through the usual channels, we are considering providing an opportunity for a debate.

Mr. Fred Silvester (Manchester, Withington): May I remind my right hon. Friend that not only is the Court of Human Rights in Strasbourg a matter of hot dispute but that it is to be the subject of another decision in January 1986? May I also remind him that the matter has never been debated or voted upon in this House? Is he able to give an undertaking that the Government will ensure that a debate takes place before a substanive decision is made?

Mr. Biffen: I cannot give an undertaking that such a debate will take place in Government time, but I note my hon. Friend's interest in this topic. It is not the first time that he has mentioned it. I very much hope that he will be successful in pursuing the matter.

Mr. James Molyneaux (Lagan Valley): Because the Nursing Homes and Nursing Agencies (Northern Ireland) Order has not yet been laid and was unheard of until 24 hours ago, does the Leader of the House feel that we can be expected next Friday to debate this order upon which there has been no opportunity whatsoever for consultation?

Mr. Biffen: I am advised that the Nursing Homes and Nursing Agencies (Northern Ireland) Order which was laid today has been made under the urgent procedure, following representations by interested persons in Northern Ireland. Because the order was made under this procedure, no proposal was drafted and circulated. My right hon. Friend the Secretary of State for Northern Ireland is today writing to the Speaker of the Northern Ireland Assembly to explain why the urgent procedure was used. *[Interruption.]* There is no need for the right hon. Member for South Down (Mr. Powell) to point as though he were on the other side of the Western oceans. I understand the susceptibilities that have been raised in this House, and I shall discuss the matter with the right hon. Gentleman through the usual channels.

Sir John Page (Harrow, West): As the Water (Fluoridation) Bill has passed through all its stages in another place and will presumably return here fairly soon, will my right hon. Friend ensure that its passage will not be unduly delayed? Whatever may be one's views on this Bill—and I am neutral—it is important to the water industry and a decision should not be unreasonably delayed.

Mr. Biffen: I note my hon. Friend's question. His observation is relevant, not least in the context of the time that is still available for debate.

Mr. Allan Roberts (Bootle): Has the special branch reported to the Prime Minister that in Liverpool, Bootle and elsewhere unemployed people are being recruited to fight as mercenaries in Nicaragua? Has the special branch also reported that those who are recruiting these people were also involved in recruiting mercenaries to fight in Angola? What kind of surveillance——

Mr. Speaker: Order. The hon. Member must ask for a debate on this matter.

Mr. Roberts: I am asking for a debate on it, Mr. Speaker. I should like to be told in a statement next week what surveillance the special branch has kept over those people who are still in this country who were involved in recruiting mercenaries for Angola. This is not a laughing matter. Many of the young unemployed people in my constituency have been approached. If they are on heroin, they are easy prey to this kind of recruitment. A statement is necessary.

Mr. Biffen: I shall refer to my relevant right hon. Friend that request for a statement. As to a debate, I think that the hon. Gentleman will be disposed to take the opportunities offered by the recess Adjournment debate.

Mr. Ian Lloyd (Havant): As I assume that Her Majesty's Government continue to feel constrained by the wise provisions of the United Nations charter, which prohibit us from looking at the domestic affairs of sovereign states, and as I assume that our interests in countries abroad is mainly confined to the influence of events there on our investment and trading interests, and if, as seems likely, my right hon. Friend concedes a debate on South Africa, may I ask that it include civil order in sub-Saharan Africa as a whole?

Mr. Biffen: I shall take that request into account when any arrangements are concluded for such a debate.

Mr. Robert Maclennan (Caithness and Sutherland): In view of the trenchant all-party criticism by the Public Accounts Committee report published today on the future of the royal dockyards in Rosyth and Devonport and the financial basis of the Government's options, and the Committee's statement about the inadequacy of the information provided to Parliament on those options, will the Leader of the House undertake that the Secretary of State for Defence will make a statement to the House setting out the financial thinking before he takes any decision on the matter, certainly before the recess?

Mr. Biffen: All reports from the Public Accounts Committee are subject to a proper and measured response from Government Departments. I am sure that that will be the case in this instance.

Mr. Harry Greenway (Ealing, North): If it is possible to have an early statement on the teachers' pay dispute,

[Mr. Harry Greenway]

may it be broad enough to take account of meetings such as the one that took place in outer London last week? It was addressed by the Labour party's spokesman on education, somebody from the National Union of Teachers, members of Militant Tendency, and sacked miners. It was a small meeting, at which a spokesman said that he was delighted that strikes were taking place at 14 schools in the area, including two special schools. Should not we look hard at the damage that is being done to children's education by the Labour party and such statements?

Mr. Biffen: My hon. Friend makes a valid point. I understand that he is requesting a statement by my right hon. Friend the Secretary of State for Education and Science. I shall draw my right hon. Friend's attention to his observations.

Dr. Jeremy Bray (Motherwell, South): Is the Leader of the House aware that a very important meeting of the Council of steel Ministers in Europe is scheduled for 26 July and that the Government expect to receive the British Steel Corporation's corporate plan at the end of July? Does he agree that it would be most unfortunate if we were to go into the recess with any doubt hanging over the future of Llanwern, Port Talbot and Ravenscraig? Will he make sure that a Minister makes a statement before the House goes into recess guaranteeing the future of those great works?

Mr. Biffen: I shall certainly represent that point of view to my right hon. Friend the Secretary of State for Trade and Industry.

Mr. Gerrard Neale (Cornwall, North): Does my right hon. Friend accept that in the west country there is considerable doubt and confusion resulting from the decision of the Select Committee of both Houses on the Okehampton bypass, which continues to frustrate the decision made by the inspector in a full and fair public inquiry? Will he press upon my right hon. Friend the Secretary of State for Transport the urgent need to make a statement so that the doubt and confusion are brought to an end immediately?

Mr. Biffen: I happily comply with that request.

Mr. Brian Sedgemore (Hackney, South and Shoreditch): In view of the widespread concern that has been expressed about the conduct of Treasury Ministers and civil servants in the Johnson Matthey Bankers collapse, will the Leader of the House guarantee that there will be a debate before we rise for the summer recess?

Mr. Biffen: I am in no position to make such a guarantee in respect of Government time. Other opportunities are available to the hon. Gentleman. Knowing him as I do, I expect him to take advantage of them.

Mr. Andrew MacKay (Berkshire, East): Further to the question asked by my hon. Friend the Member for Harrow, West (Sir J. Page), and as the Water (Fluoridation) Bill has been extensively debated, in every aspect and at interminable length, may we have an undertaking from my right hon. Friend that when it returns to the House from the other place it will be guillotined, in the interests of the majority?

Mr. Biffen: At this stage all that I can say is that I note with great interest the silent majority now becoming rather more vocal.

Mr. Kevin Barron (Rother Valley): Can the Leader of the House rearrange the timetable for next week so that we may have a debate on the Select Committee of Employment report about the National Coal Board's dismissal of employees? This matter is very pressing. At least 80 per cent. of those people sacked by the board are not in the category that the Prime Minister and other Ministers shout about from the Dispatch Box—that they are in a position to be found guilty of violent crimes. Some of them have never been in front of a court. This House ought to debate the report on the dismissals as soon as possible, and certainly before the recess, because the situation has given rise to a lot of hardship and low morale in the coal industry.

Mr. Biffen: I cannot undertake to rearrange next week's business to accommodate a debate upon the Select Committee report. That is not because of any unease about the Committee's report; it is primarily because the programme we have already announced is drawn tightly with a view to the House rising on 26 July. There is simply not room for endless additional debates.

Mr. Roger Sims (Chislehurst): Several weeks have elapsed since my right hon. Friend reacted sympathetically to my request for a debate on the report of the Select Committee on Home Affairs about the plight of Vietnamese refugees in Hong Kong. Will he give the House an opportunity to discuss this matter? May I also draw his attention to the increasing interest in the country about the establishment of family courts? Will he give the House an opportunity to consider that important issue?

Mr. Biffen: I am sorry to disappoint my hon. Friend, but there is no prospect of Government time being made available for those two topics in the near future. As he knows, we will have the recess Adjournment motion and the subsequent Adjournment debates, and those could well give rise to consideration of those topics.

Mr. Michael Meadowcroft (Leeds, West): May I press the Leader of the House further on two aspects of the change in the immigration rules? Does he agree that it is important to have a debate before the House rises for the summer recess? Secondly, could he give an undertaking that such a debate would be separate from the problem of the Tamils on which there is a prayer in the names of my right hon. Friends? It is a totally separate issue.

Mr. Biffen: I understand the point that the hon. Gentleman is making. I hope that I will be able to satisfy him on it.

Mr. Greville Janner (Leicester, West): Will the right hon. Gentleman consider the fact that the wages council regulations which the Government are proposing to repeal contain about the only statutory minimum rights to holidays which exist in our law? Are we to have a debate on those regulations before the House rises, and will we have a debate on the deplorable lack of holiday rights of people in this country?

Mr. Biffen: I regret that there is no prospect of Government time being made available for a debate on those topics.

Mr. Robert Parry (Liverpool, Riverside): Has the right hon. Gentleman seen early-day motion 791—

[That this House applauds the local councils of Liverpool, Lambeth and Edinburgh, and other local authorities, who are prepared to struggle to defend jobs and services on behalf of ordinary decent people; recognises that Government legislation and policy leaves these local authorities with no alternative but to conduct a campaign to defend working people, existing in hopeless conditions; and, in acknowledging the enormous advances being made in places like Liverpool, in house building and urban renewal, thus creating employment in the public and private sector, calls on the Government to draw back from its attacks on these local authorities.]—

and early-day motion 847—

[That this House condemns the Government's policies towards local authorities, with their centralised controls and financial penalties, and therefore fully supports those councillors like the Labour councillors in the Liverpool City Council who have made a rate, based on the needs of the people of Liverpool, but who, in the process, are forced to make a stand against Government policy; points out clearly that, if the Government's policies were supported in Liverpool, it would mean cuts in local services and create increased unemployment amongst council workers, in an area which already has extremely high levels of unemployment; and calls on the Government to restore the rate support grant that has been taken away from the Liverpool City Council, to increase the housing investment programme which has been cut, and to urge the district auditor to drop his present action against councillors.]

Motion 791 is in the name of my hon. Friend the Member for Liverpool, Broadgreen (Mr. Fields) and motion 847 was tabled by my hon. Friend the Member for Liverpool, Walton (Mr. Heffer).

In view of speculation in the media that the House may be recalled because of the situation in Liverpool and that emergency legislation has been prepared, will the Leader of the House allow an emergency debate as soon as possible, and will he state whether legislation has been prepared and whether the commissioner is ready to go to Liverpool?

Mr. Biffen: The hon. Gentleman has touched on an important point, but it would not help if I were to speculate on the use of legislation. I fear that there is such a shortage of Government time for debate over the next couple of weeks that, if the topic is to be raised, it will have to be raised by the hon. Member using such opportunities as he possesses.

Mr. Dennis Skinner (Bolsover): Will the Leader of the House try to accommodate a number of the Members who have raised matters of importance so that they may be dealt with before the recess? One fairly easy way out would be to reduce the three months' holiday that Members of Parliament have just been allocated. That is not the most popular suggestion around, but if we were to reduce it we could have a debate on the Tamils, a debate on the National Health Service, a debate on an amnesty of miners who have been sacked, and a day or two-day debate on that squalid business about Johnson Matthey and all the fraudulent activities within it. We could have a right old time, even if we had only another week.

Mr. Biffen: I am slightly concerned at the prospect of a Bolsover benefit week when all these topics would be poured on us, particularly as we now learn that the hon. Gentleman views the three months in prospect as holiday time. There are very few hon. Members who pack up and go on holiday for three months at the end of July. The hon. Gentleman may make an annual pilgrimage to Skegness, but for most of us it is back to our constituencies, and we see very little of the rest of the world.

Mr. Tam Dalyell (Linlithgow): Could some room be found for the Foreign Secretary to make a statement on his return from South America? If such a statement were possible, could the right hon. and learned Gentleman deal with the question of serious over-fishing in the South Atlantic by virtually every country in the world except the British and the Argentines? For example, the Taiwanese, Bulgarians, Koreans and Russians—virtually everybody except ourselves—are running riot in relation to fishing stocks. Will he also react to the statement in the second item of today's BBC news, of which admittedly we do not have the full text, to the effect that predictably and predicted, foreseeably and foreseen, the Argentines have said "No" to the initiative that has been taken in relation to imports in the absence of any discussion on sovereignty?

Mr. Biffen: I take note of the points raised by the hon. Gentleman, and I shall certainly refer them to my right hon. and learned Friend the Foreign Secretary.

Mr. Andrew Faulds (Warley, East): In view of the impropriety, immorality and, indeed, illegality of the prime purpose rule, and in the light of the Prime Minister's unconcerned and superficial response to me on a question to do with this matter the other day, may I back the Leader of the Opposition's insistence that the House have an opportunity to debate this whole matter before we go into the recess?

Mr. Biffen: I shall certainly look into that matter.

Dr. Brian Mawhinney (Peterborough): Will my right hon. Friend arrange for the Home Secretary to make a statement next week so that he can inform the House when he intends to introduce legislation to deprive drug traffickers of their ill-gotten profits?

Mr. Biffen: I shall refer that point to my right hon. and learned Friend the Home Secretary.

Mr. Roland Boyes (Houghton and Washington): Has the Leader of the House had an opportunity to read the comments of Mr. Robert Caton, the chairman of the Association of Charity Officers, that the Government's new regulations for payments for the elderly and disabled in residential accommodation are leading to a shortfall of £20 a week in rest homes and £70 in nursing homes? Has he also read the comments of Christian Wolmar and Jonathan Foster in *The Observer* last week that the Prime Minister's recent answer to the Leader of the Opposition showed that she did not fully understand the regulations? Will the right hon. Gentleman ask his right hon. Friend the Secretary of State for Social Services to withdraw these terrible and damaging regulations until Ernst and Whinney, the management consultants, have had an opportunity to look at the levels of payments?

Mr. Biffen: The hon. Gentleman returns to a subject that on several recent occasions has featured in his requests. I shall of course refer his points to my right hon. Friend the Secretary of State for Social Services.

Mr. Jeremy Corbyn (Islington, North): Last week the right hon. Gentleman intimated that before the House rises for the summer recess there would be a debate on the position of Tamil asylum seekers and refugees as well as the visa restrictions. As far as I understand, he has failed to give a categorical assurance of a debate on the immigration rules announced in yesterday's statement by the Home Secretary. Will he now give a categorical assurance that before the House rises there will be a debate which will include the question of the Tamil asylum seekers, the unprecedented visa restrictions on anyone wishing to leave Sri Lanka and the implementation of yesterday's announcement by the Home Secretary in relation to a European Court decision?

Mr. Biffen: I understand the hon. Gentleman's point, which is a repeat of what he said last week. I can best help him by referring to the answer I gave to the hon. Member for Leeds, West (Mr. Meadowcroft).

Mr. D. N. Campbell-Savours (Workington): Why should the Leader of the house suggest that the debate on Johnson Matthey take place in Opposition time when the Government are £200 million on risk? Surely the debate should take place in Government time. Is it not fair to say that over the past three months the Government have deliberately set out to engineer a failure to debate this matter because they have so much to hide?

Mr. Biffen: I find the innuendo not appropriate to these exchanges. I think that *Hansard* will reveal that I said that there would be no opportunity for debate in Government time until the end of July.

Mr. Donald Stewart (Western Isles): Is the right hon. Gentleman aware that information has come to me that an action of interdict is to be commenced in the Court of Session in Edinburth tomorrow against the sale of the trustee savings bank? In the circumstances, what plan has he for the debate he has announced for Monday evening?

Mr. Biffen: I received a letter to that effect just before I came into the Chamber. I will look at the matter as a matter of urgency and get in touch with the right hon. Gentleman.

ESTIMATES DAY

[3RD ALLOTTED DAY]—considered

Estimates 1985-86

Department of the Environment

Class VII, Vote 1

Motion made, and Question proposed,

That a further sum not exceeding £1,151,288,000 be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1986 for expenditure by the Department of the Environment on subsidies, the option mortgage scheme, improvements and investment, grants to housing associations and the Housing Corporation and sundry other housing services.—*[Sir George Young.]*

Mr. Speaker: I understand it will be convenient for the House to discuss also the following Estimates: class VII, vote 2, class VIII, vote 2; class VIII, vote 3; class VIII, vote 5; class XIV, vote 1

4.3 pm

Sir Hugh Rossi (Hornsey and Wood Green): Last year and again this year the Select Committee on the Environment has produced two reports, one commenting on the main Estimates of the Department of the Environment and the other on the main Estimates of the Property Services Agency. I wish to draw the attention of the House to those reports, published on 22 May, which are noted on today's Order Paper. In preparing them the Committee has scrutinised closely the whole range of Estimates concerned and taken evidence from officials. The work is laborious but necessary and we have been charged to do it by the House because of the way in which, in the past, vast amounts of public money have been voted annually without debate.

The results of our scrutiny may not attract widespread public interest and are the reverse of sensational. Nevertheless, they are of value in Parliament's work of scrutiny of expenditure by the Executive.

I shall start with the Department of the Environment. We looked first at some matters on which we commented in our two reports of last year. The Government have not yet remedied the situation that dog licences cost substantially more to issue than the revenue that they raise. The net cost is still in the order of £3·4 million a year. There has been a consultation paper following our last year's report but no action has so far been taken. We consider that the House should not be asked to vote further Supply for this wasteful purpose next year, although we are giving the Government a little more time this year and do not seek a reduction of the vote. The Government must make up their mind to abolish the licence or to introduce a new cost-effective system for the care and control of dogs along the lines of the working party paper produced in 1976.

The Committee returned again to our criticism that some expenditure is being incurred on a regular basis by the Department under the sole authority of the Appropriation Acts. This situation has not been remedied. For example, £850,000 is being paid to various international bodies without any specific statutory authority, and this seems to be a common practice in most

Departments. The Committee regards this as unsatisfactory, and if corrective action is not taken before next year's Estimates the House should consider very seriously whether or not it is prepared to vote money in this way.

Last year we also drew attention to the considerable over-claiming of housing subsidy by local authorities. We are pleased to learn that the Department has made changes in this sector which should have the effect of reducing over-claiming of the kind of levels unavoidable in any system of paying in advance. We feel that to abate claims where audited returns are not submitted in a reasonable time is a correct way forward.

We were not happy as a Committee about the state of housing maintenance. It seems certain that there is a very large backlog both in the private and in the public sectors. The level of local authority expenditure in improvement grants is falling. It is true that the Government have issued a consultative paper upon which comments were due last Tuesday, but the time has been further extended. It is not clear what the position is in the public sector from any of the evidence we have been able to adduce. In fact, there is a lack of information about the precise dimensions of the whole problem.

It is true that there is to be a house condition survey in 1986. I hope the Minister will be able to assure us that the information collected will be in a form that can be compared with the results of the last survey. If we have to accept that resources available for renovation are limited, it is all the more important to have a clear picture of the problem and to deploy the resources available to the best possible advantage.

We commented in our report upon the provision of sites for gipsy caravans. Such sites are provided for 65 per cent. of caravans, so there is a substantial shortage. Most of us are familiar with the kind of problems that this gives rise to. We also felt concerned that some local authorities were using the grant, which has a heavy Exchequer reimbursement element in it, not for true travellers but as a cheap means of rehousing families who would otherwise have to come off their general housing waiting list. I hope that the Minister will look into this much neglected area of his Department's activities.

Also of importance is the inadequate provision made by the Department and local authorities for those who are prepared to move their homes in search of work. At present local authorities make available only 1 per cent. of their new lettings for people coming into their areas from other parts of the country. That does not encourage mobility of labour. We have therefore made a modest proposal that the figure should be raised to 2 per cent. I realise the difficulties for local authorities in giving increased priority to one group as against another in allocating their housing resources, but 1 per cent. is a very pathetic figure at a time of high unemployment. Perhaps the Government could provide some financial inducement to authorities which are prepared to do more and penalise those which are not.

We have some comments to make upon the development corporations in Liverpool and London. In Liverpool, no evaluation seems to have been made of the imaginative experiments of the Liverpool international garden festival, and this should have been done. We need to know whether money spent in this way is the best way to help to regenerate areas of urban blight.

In London, we were disturbed by the evidence that the administrative costs of the London Docklands development corporation appear to be 20 per cent. of its total costs, while the comparable figure for the Merseyside development corporation was only 8 per cent. There may be good reasons for this disparity, and if so they should be spelt out. We hope that the Minister will be able to give us further enlightenment or promises to carry out an investigation into this discrepancy.

I shall now deal with the Property Services Agency. There is another backlog of maintenance in the public estates administered by the PSA, and that is expected to grow in the coming year. The danger is that neglected work will give rise to greater expenditure in the future than if it were tackled immediately. No doubt the Minister will plead a lack of resources, but in that case it is necessary to ensure that the available money is being spent in the most effective way.

In accordance with the current practice in the Civil Service of giving local managers more responsibility for expenditure on the resources that they are using, the PSA has been delegating maintenance work to individual Departments. At present, Departments can spend up to £1,000 on a job without reference to the PSA. This figure is too small, and it is indicative, we felt on hearing the evidence, of the reluctance on the part of the PSA to relax its monopoly on the facile excuse that Government Departments are incapable of supervising contract work in excess of the derisory figure of £1,000 a job. We are convinced that much more value for money is to be obtained by increasing local managers' responsibility in the various Government Departments.

The main observations in our report are concerned with the relationships between the PSA and the Departments. Under the two-year-old property repayment services system, Departments are now charged a rental by the PSA for the accommodation they occupy, whether the property is in the Government's direct ownership or belongs to a private landlord to whom the PSA pays rent. An oddity is that the rentals collected by the PSA are paid straight into the Consolidated Fund and are not credited to the agency in the Estimates. If they were, a more realistic profit and loss account would be produced and surplus rents could be put into reserve to finance further acquisitions when appropriate.

I appreciate that the purpose of the property repayment service system is essentially to encourage Departments to appreciate the value of the accommodation that they happen to occupy and therefore make any appropriate economies which that knowledge can bring about. However, there are shortcomings in the way that the system operates in practice, if only in the great amount of paperwork that it seems to generate. The Committee came to the conclusion that it would like to see a civil accommodation account for the PSA, set out on commercial lines with past capital expenditure, current expenditure and revenue all taken properly into account. This would enable a far more accurate assessment of the Government's property portfolio.

The Government have continued their policy of transferring design work from the PSA to outside consultants. As far as the Committee could tell, the change is resulting in increased costs. We are told that this is a short-term phenomenon and that the introduction of fee competition between consultants that took place in 1984 will reduce the costs entirely. Clearly, this part of

[Sir Hugh Rossi]

expenditure calls for continuing close scrutiny. I hope that the Minister will assure us that he is not allowing consultancy firms to take him for a ride.

Mr. Richard Alexander (Newark): My hon. Friend has given us an excellent resumé of the Committee's views and I do not wish to add much. However, does he agree that too narrow a range of consultants is being asked to make tenders, and that only large organisations are being asked? Are there not many people operating on a much smaller base who could do the work just as well, and probably a great deal more cheaply than the big boys are doing it at the moment?

Sir Hugh Rossi: My hon. Friend is a member of the Committee and has taken a close interest in this aspect. There is a great deal of merit in his proposition. I anticipate that my hon. Friend the Minister may take the view that it is necessary to maintain the balance between firms of proven worth and whose which are unknown but nevertheless may offer services at a reduced fee. The Department could well examine that more carefully with a view to widening the range of people with whom the PSA is prepared to do business.

The Committee had several comments about our examination of the PSA's expenditure on major new works. I am glad that, despite the criticisms that we have made in other parts, we were able to congratulate the agency on the much better presentation of this year's material than last year's. However, we still have reservations as to the way in which the Treasury makes money available for purchasing properties when they come onto the market on advantageous terms.

From the evidence that we received from officials, it seems that, practically, this can be done in current circumstances only if the PSA has an unexpected shortfall on expenditure on other works. This is a hit and miss way to buy property that comes on the market on good terms, and not an intelligent way to operate a property portfolio. To this extent, my previous remarks about a civil accommodation account on a proper commercial basis, giving credit for all rents payable by Departments, would be a way in which a fund could be built up, as happens in the private sector, in order to buy a property at the right time.

We feel that Departments should be strongly discouraged, when giving new contracts, from altering their specification for new projects after the time when financial provision for them has been made in the Estimates. Failure to discourage them makes the original Estimates presented to the House meaningless, and that is one of the criticisms that the Committee had to make strongly.

Mr. David Alton (Liverpool, Mossley Hill): The hon. Gentleman is advancing his case eloquently. I underline what he just said by reiterating our experience when we debated the Estimates last year. We were much concerned about possible corruption in the PSA, but are now concerned with incompetence. If accounts are badly presented and if people have written into those accounts estimates that fall well short of the final figure, is it any wonder that people misrepresent that as corruption?

Sir Hugh Rossi: The PSA itself talked about corruption, which caused it concern and which was the subject of investigation by another Committee of the House. Steps are being taken to deal with any corruption, but much still remains to be done about the presentation of the Estimates. Perhaps the PSA is a prisoner of Treasury conventions, some of which we criticise in our report.

The Select Committee is glad to have had the opportunity of examining the Estimates. It has been of value to us to range across all the Department's activities. We hope that the results of our work will also be of some value to the House and, of course, to the Department.

4.21 pm

Mr. David Alton (Liverpool, Mossley Hill): I am pleased to follow the excellent presentation by the hon. Member for Hornsey and Wood Green (Sir H. Rossi), the Chairman of the Select Committee. All members of the Select Committee, from whichever party, would commend to the House his diligence in chairing the Select Committee and his taskmaster approach.

I shall deal with four matters, starting with the Property Services Agency. There is undoubtedly a need for continuing close scrutiny of the PSA. I trust that the Minister will be able to give us the assurance that he was unable to give last year—that the many shortcomings in the PSA have been put right.

PSA officials appeared before the Select Committee and it was clear to all of us that its accounting methods were unsatisfactory. We discovered many examples, if not of bad housekeeping, of bad presentation. That is why the memory of Sir Geoffrey Wardale's report, which dealt with corruption in the PSA, still hangs over that organisation. He concluded that the organisation of the PSA had not been put right and that many defects and examples of inefficiency and incompetence still existed. He also said that he could not be sure that corruption had been ended. That is clearly a matter for the Department of the Environment.

The contrast between the retaliatory measures which the Government take against local authorities and against the PSA is considerable. Within their own house, the Government are often not as scrupulous about obtaining value for money and dealing with inefficiency and incompetence as they are when challenging local authorities, which, on the whole, have given far better value for money than the PSA.

I commend to the House the recommendation on the civil accommodation account. This method of presenting accounts would ensure that some of the criticisms of the PSA that we have made over the past two years would not need to be made again.

The Chairman of the Select Committee talked about gipsy sites. Many local authorities have failed to implement the terms of the Caravan Sites Act 1968. The reason for that is that the legislation is not mandatory, and many local authorities do not implement it. Those local authorities which have chosen to implement it have attracted travellers and gipsies to their areas. This allows other local authorities to pretend that they have no problem and that there is no need for them to make provision.

Many authorities which have provided sites also have many other pressing social issues to deal with. On Merseyside, the Liverpool city council with all-party agreement, provided a site at considerable public expense, while other adjacent authorities, such as the Wirral and Sefton, made no such provision. Liverpool's problems in connection with travelling people have increased as a

result of its attempts to tackle the problem, whereas other authorities which have done nothing do not attract the problems.

Mr. Robert B. Jones (Hertfordshire, West): The experience on Merseyside appears to be different from that in my area. Those authorities which have achieved designation are able to control the problem, but those which have not yet provided sites end up with a flood of gipsies who have been moved on from designated areas. Perhaps the situation is different in different parts of the country.

Mr. Alton: I was about to make that point. No clear lines can be drawn and the problem does vary in different parts of the country. Merseyside and other areas with ports of entry, especially from the Republic of Ireland, have particular problems.

It is clear that the legislation is not being uniformly implemented throughout the country and that some local authorities are getting away with making no provision, while others have to bear the brunt. That is clearly unsatisfactory.

I agree that more needs to be done to evaluate the work of development corporations. I admit that I was sceptical about establishing development corporations. I was nervous that the Merseyside development corporation would simply try to take the place of the local authority and that it would lead to the further erosion of local democracy. I am glad to be able to say that the work done by the development corporation on Merseyside, especially in connection with the international garden festival, has been spectacularly successful. I pay special tribute to all those involved, including Basil Bean, the chief executive of the development corporation, who is soon to move to another post. He has been a driving force, like Sir Leslie Young, who, as chairman, was the corporation's local anchor. He understood local commerce and problems and tried to take into account local political sensitivities.

If the development corporation is to continue to be successful, we must broaden the board to ensure that all local political opinion is taken into account. I am pleased that Mr. John Smith has accepted the deputy chairmanship of the corporation, but I emphasise that some people on Merseyside are worried because the political weight of the corporation does not take into account the views of people outside the Conservative party. That could bring discredit upon the corporation.

Apart from improving democratic accountability and ensuring that political opinions are properly represented, I agree with the hon. Member for Hornsey and Wood Green about the need to evaluate the work of the development corporations. I should like to know how many jobs have been created on Merseyside as a result of the garden festival. Much was said in advance about it providing a stimulus to employment. In that sense, the garden festival has not been as successful as it was in terms of being a major land reclamation project. About £30 million of public money has been spent. We should be given some idea of the cost effectiveness of such projects and of how useful they are in stimulating local commercial recovery.

I hope that the development corporation will be encouraged to continue its work in redeveloping the south dock area of Liverpool and to establish the northern Tate gallery at Albert dock. I hope that adequate funds will be made available to enable the corporation to complete some of its imaginative projects.

Dealing finally with direct labour organisations, many do not provide value for money. That was made clear to us by witnesses from the Department, the PSA and local government. In the two years that I have served on the Select Committee, I have become ever more convinced —even more than when I served as chairman of the housing committee in Liverpool — that we must find other ways of managing large areas of municipal housing.

I was brought up in a flat on a council estate and I am well aware of the way in which council property can meet the needs of those who come from the poorest backgrounds and cannot afford to buy their own homes. There will always be a role for public sector housing, but the way in which that housing is managed and maintained should be further considered by Parliament and by the Select Committee of which I have the privilege to be a member.

Mr. Chris Smith (Islington, South and Finsbury): Perhaps the hon. Gentleman should reflect carefully on what he just said. He implied that council housing was appropriate only for the poorest section of the community who cannot afford to buy their own homes. Surely a major principle of council housing is that it is based on need and not on income. Rather than going for the ghettoisation effect of public housing as in the United States, which the hon. Gentleman implies, we should be going for a broader spread of social background for council housing.

Mr. Alton: I was implying that there should be as much diversity in housing as we can achieve. If people do not have a need, I would prefer that they were not reliant on public sector housing. I want to see the dismantling of municipal empires, with control being handed over to tenants living on estates, particularly through housing co-operatives. I want to see more opportunity for self-build and for low-cost homes for sale. As many people as possible should be able to enjoy the comfort of decent housing.

Some of the worst housing conditions in my city are, I am afraid to say, in municipal housing, and that situation has pertained under all administrations. That has happened because those who live in that housing often do not feel that they have a stake in the community. In other words, they do not feel that their homes belong to them.

That is why we must hand over as much property as possible, to the tenants on council estates through a radical system of decentralisation, especially supporting housing co-operatives. Indeed, the best clerks of works, as it were, who are able to get value for money, are the people who live on those council estates.

The Government's present policy of simply selling off council houses is not the answer. Equally, the action of Labour authorities in cities such as mine in preventing people from forming housing co-operatives is diametrically opposed to the best interests of the people. I want diversity, coupled with value for money. That is why I say that the best clerks of works are those who live on council estates. If they are given control of their homes, they will get value for money when they hire labour for maintenance purposes.

I am depressed by the present state of much council accommodation, not only in my city, but throughout the country. People are often obliged to live in damp, squalid

[Mr. Alton]

conditions, and that can have an enormous effect on family life. People can be driven to the depths of despair because of the conditions in which they are forced to live. The Government should provide more resources to tackle these problems. They should also encourage the establishment of housing co-operatives and the dismantling of large corporations.

It is clear that, in this sphere, bigger is not better. Of the 70,000 council properties in my city, 6,000 are currently lying empty. I have in the past highlighted examples of houses—fortunately they have now been demolished—which had stood empty for 23 years. I believe that the local authority had even forgotten that it actually owned those properties. That is what can happen when council ownership grows like Topsy and direct labour organisations and municipalities decide what is best for the people living in their houses. We need a more radical approach.

Too much emphasis has been laid in the past simply on the problems of the public sector, as the Select Committee points out. In many parts of inner cities the challenge will come in housing action and general improvement areas, where progress has come largely as the result of progressive legislation enacted by the last Labour Government and as the result of grants provided by the present Government.

The Minister frequently tells us about the amount of money that has been made available for improvement grants, but because of the reduction now being made in improvement grants, the work done in the 1970s and early 1980s is being put at risk in housing action areas. We shall end up with a patchwork quilt of housing renovation and decay. In other words, by being pennywise and poundfoolish we are wasting a great deal of public money that has already been invested in those areas.

About 400,000 building workers are today languishing on the dole. Public money is being paid to them to remain idle. The cost of leaving people unemployed, of paying benefit and of lost income tax which they would otherwise be paying, coupled with the cost of private and public sector housing, is enormous. I cannot understand the logic of such economics and I hope that the Government will reconsider their approach both to public and private sector housing. They must stop using housing as an economic barometer for their monetary idealogies.

I again pay tribute to the Chairman of, and my colleagues on, the Select Committee. It is vital work to examine public accounts. It is important for Select Committees to act as the watchdogs and guardians of the public purse. We have discharged that responsibility in the way that the House would expect.

Hon. Members must one day give serious consideration to improving the powers of Select Committees so that they can do more, perhaps by way of directly stimulating change and initiating legislation. I hope that at some future time it will not simply be a question of the Chairman of our Select Committee putting points to the Minister, but that he will have a chance to initiate the changes which both he and we know are necessary.

4.38 pm

Mr. Norman Miscampbell (Blackpool, North): The *point that I wish to* make, while specific, might be felt to be narrow. However, for those who are affected, it is a point of great importance.

We referred last year to the cost of dog licences, and my hon. Friend the Member for Hornsey and Wood Green (Sir H. Rossi) commented on the subject in his remarks today. I congratulate him on the quality of his speech. He said that nothing had been done about the matter, and it is true that, while we have had a consultation paper, nothing appears to be happening in relation to dog licences.

Nor is it simply a question of revenue, although it seems ludicrous to raise only a fraction of the cost of providing the licences. However, I should have thought that, if for no other purpose than that of revenue, the course that I shall urge would commend itself to the Government.

There is more to it than finance. In recent weeks in Blackpool there have been two cases of toxocariasis, a disease which causes blindness. It arises through dog dirt. Almost inevitably, and tragically, children come in contact with it in the parks and elsewhere, although it can affect anybody. Of the two cases in Blackpool, one resulted in total blindness, and in the other a child lost an eye. When a parent sends his or her children to play in the park and finds that that is the result of what is considered to be an innocent occupation, the trauma is difficult to overestimate.

It is essential that a proper licence fee is charged that induces some responsibility. That would help in large measure. Secondly, the Government should bear in mind that the burden of policing parks rests firmly upon the shoulders of local authorities. A substantial proportion of the new sum that is raised should be given specifically to the authorities which have the responsibility, the difficulty and the expense. The sum should be additional to any other moneys that they receive. It should be given to them specifically to assist them to meet their difficulties. That will help them properly to police and control the parks.

When a licence is granted, we cannot say to the dog owner, "You must produce a veterinary certificate which states that your dog has been wormed." Perhaps that would be too expensive a requirement to put upon dog owners, although it might be a sensible course to take. I have a dog, and I would be only too pleased to give such an undertaking. However, when a licence is issued there should be a requirement that the owner produces a receipt to show that he has bought the appropriate powders. If he has bought them, it is almost inevitable that they will have been used. That requirement would not impose an onerous obligation.

First, we should introduce a licence fee that will make people responsible for their dogs. It is often the dog that is straying that causes trouble. Secondly, a proportion of the revenue so raised should be given to local authorities to assist them to control their parks. Thirdly, there should be some proof that a dog has been properly wormed. If these steps are taken, the tragedies that we have experienced in Blackpool will not recur.

4.42 pm

Mr. Chris Smith (Islington, South and Finsbury): I agree with much that the hon. and learned Member for Blackpool, North (Mr. Miscampbell) has said, but I shall

not take up his remarks because I wish to refer to two other matters and I do not want to waste too much of the time of the House.

The Select Committee questioned officials of the Department of the Environment about the right-to-buy scheme for tenants of charitable housing associations. The scheme was introduced under the terms of the Housing and Building Control Act 1984. It involves tenants of charitable housing associations who are not able to purchase the accommodation in which they currently reside being able to purchase accommodation on the private market with a grant from the housing association which is equivalent to the discount which they would have received if they had been council tenants or the tenants of a non-charitable housing association exercising their right to buy their present dwelling.

I asked the officials to tell me how much money was laid aside in the Estimates for the cost of the grants and where the money was to come from. The response from the officials was unsatisfactory. I have it in print in front of me. It reads:

"The cost of the discounts under this scheme is met by Exchequer grant in the form of a housing association grant paid to the housing association through which the tenant arranges his purchase. Provision for it forms a small part, not specifically identified, of the overall provision for housing association grant in subhead E1 of class VII, 1."

That means that the provision of money for grants to tenants of charitable housing associations exercising their rights under the scheme comes directly from the pool of money that is available to housing associations for the development of new and improved property to rent. In other words, the amount of money is crucial. We are told that the cost of the grants is only a small part of the overall provision, and it appears that no specific estimate is made of the cost of the scheme. This is a crucial issue, because the cost of the scheme will be deducted from the overall sum that is made available for association grant purposes by the associations for the development of new and improved property.

I hope that the Minister will be able to give us some rather more satisfactory answers than those which were given by his officials. I invite him to tell us how much money is expected to be paid under housing association grants to tenants of housing associations who are not able to purchase the accommodation in which they are living and who purchase on the private market. I hope that he will give us the total for this year and the sum that is expected to be paid next year. The issue is crucial for the purpose of housing association development this year and next.

Mr. Robert B. Jones: Does the hon. Gentleman accept that everyone who moves out of a charitable housing association flat or house creates a vacancy by taking advantage of the scheme? Each vacancy is created at much less cost to the Exchequer than the building of a new flat or house. In creating lettings for the associations, the scheme provides a cheap alternative that offers value for money.

Mr. Smith: I accept some of the premises in the hon. Gentleman's intervention, although he leaves out of account the calculation of mortgage tax relief, for example, which will become available to the person or family who move into the private sector. The person who moves out will obtain a mortgage and will be entitled to the relief which he is not receiving currently. The equation is rather more complicated than the simple formulation which the hon. Gentleman presented, but his basic proposition is correct.

If a family, an individual or a group of people move out of a unit of accommodation and that unit becomes available for letting by the charitable housing association, a vacancy will be created at less cost to the Exchequer than the building of a new flat or house. However, money will have been taken out of the overall pool that is available for the development of new accommodation and new schemes. That worries many housing associations and those who are waiting for association accommodation. I hope that we shall have some serious and sensible answers in response to this small but important issue.

The Government have not been spending very much money on housing over the past few years. I tabled a parliamentary question about a year and a half ago seeking comparative figures. My question asked the Government to use a base date of 1977. I accept that the trend has been similar under Governments of both political persuasions, as I am sure the Minister will hasten to remind us. Nevertheless, the graph has steepened under the present Government. I asked the Government to start with a base date of 1976-77 and to state, against a figure of 100, what had happened to elements of Government expenditure from that base date. The answer revealed that under almost all headings public expenditure was within the 90 to 110 level. Some items of expenditure had decreased slightly and some had increased slightly.

There has been a dramatic increase in public expenditure on defence and social security. The social security increases are a direct result of the amount of unemployment benefit that is paid out. In one respect alone there has been a dramatic fall from 100 to 30—a cut to less than a third. That was housing.

The record of the past 10 years is not a proud one. We can see the results throughout Britain. Houses and flats are in an appalling condition, with people having to live in damp, mouldy, difficult, overcrowded accommodation without any hope of being able to move out into something better for themselves and their children. Many people throughout Britain, including my constituency, are having to endure those difficulties.

About a month ago the Minister for Housing and Construction went to Islington to see some of the housing conditions for himself. He saw what the local authority, against all the odds—in the face of continuing cuts in the housing investment programme and constraints on capital expenditure—has assiduously been trying to do. In many cases it has been producing good accommodation, but it is able to do far too little in the face of the enormous problems of those who need accommodation.

Even if the Under-Secretary of State and his civil servants are not prepared to admit that the overall levels of HIP allocations are too low—they have consistently not been prepared to accept this—and to admit that the constraints on the spending of capital receipts are an economic absurdity and a cruel deceit for the people living in inadequate and insubstantial accommodation, perhaps they will accept that some specific problem areas need a specific allocation of funds.

Mr. Tony Banks (Newham, North-West): I note what my hon. Friend is saying about housing stock in his borough of Islington. His borough has partnership status and is the seventh most deprived local authority area in

[Mr. Tony Banks]

England, whereas my borough of Newham is the second most deprived area and has neither partnership nor programme status. Is that fair?

Mr. Smith: I would certainly not advocate swapping Islington's partnership status for Newham's position. I know Newham well—of course, not as well as I know Islington—and am well aware of the urban dereliction there, the difficulties that face the people and the need for special Government attention and assistance. I look forward to the day when we have a Government who are more clear-sighted and humane than the present Government and who will not only pay attention to those problems in Newham, but will pay more assiduous attention to the problems in Islington, despite its partnership status.

I draw the attention of the Under-Secretary of State to five specific problem areas where housing subsidy is inadequate and where the Government could undertake to give special assistance without necessarily breaching their overall approach to the HIP allocation system. I have tried so often in the past to convince the Government that this is a good cause, and failed, that I am rapidly giving up any hope that the Government will bend on this matter.

First, the Government have been happy to rush legislation through the House to deal with housing defects in non-traditional blocks which have been badly, inadequately and dangerously built, to protect the interests of those tenants who have availed themselves of the right to buy and bought flats in such blocks, but they have not been prepared to recognise the difficulties and needs of the tenants in such blocks. Perhaps the Government are now giving some consideration to their needs and wishes.

Secondly, the Government have consistently refused to acknowledge that asbestos in large quantities in large blocks, many of which were built during the 1950s and 1960s, is dangerous and should be removed, in the interests of the safety and health of the residents. They have refused to acknowledge that local authorities face a special difficulty in ensuring that the asbestos is removed properly and quickly. The Government have not been prepared to consider an ad hoc system of special grants for the removal of asbestos where it is found by the local authority. I am sure that local authorities would be prepared to have a system of Department of the Environment approval when the Department deems that to be necessary. Surely it would be more sensible to do that rather than leave local authorities with the job of having to meet the removal costs from their overall existing housing programmes. A special system should be implemented as quickly as possible to remove asbestos where it is dangerous.

The third problem area is the inter-war estates. During his visit to Islington the Minister for Housing and Construction visited some of the inter-war estate blocks which have been renovated and transformed under the council's imaginative programme. I think that he was impressed. In assessing the housing needs of a particular area, the Government should recognise the considerable cost incurred by local authorities in transforming old blocks into better accommodation.

Fourthly, the Government should consider the number of homeless people who apply every year to the local authorities for housing. The Government will say that this is taken account of in the general needs index. The pressure on many inner city boroughs to provide housing is becoming so acute, especially in those boroughs which have resorted to using sordid and inadequate bed-and-breakfast accommodation, that they are often able to deal with only the problem of the homeless and not the needs of the other people in their areas who need better housing conditions. I hope that the Government will pay attention to that problem, which affects some parts of Britain more dramatically than others.

Fifthly, I hope that the Government will give some recognition, not just to the non-traditional blocks but to the blocks that were constructed in concrete in the 1950s, 1960s and 1970s, where people are living in damp conditions and condensation is running down the walls. As any hon. Member who represents an inner city area will know, people are living in inadequate, poorly heated and poorly insulated accommodation which needs major renovation work if it is to be made a decent place in which to live.

The Government are taking no account of those problems in the housing investment programme allocations, in their capital restraints or in any of their housing policies. Even if they want to keep the lid on public expenditure, they must realise that there are specific problems and that people are suffering tragically and need the concern, care and attention not just of their local authority, but of the Government, who control the nation's purse strings. I hope that the Government will give us some mileage today to show that, for once, they are awake to the fact that hundreds of thousands of families with children are living in appalling, substandard, inadequate and degrading accommodation. These people need something better and they are waiting for the Government to take action.

5 pm

Mr. Sydney Chapman (Chipping Barnet): I am grateful for the opportunity to contribute briefly to the debate. I am glad to speak after the hon. Member for Islington, South and Finsbury (Mr. Smith) who always makes challenging speeches with great authority. I also join in congratulating the Chairman of the Environment Committee, my hon. Friend the Member for Hornsey and Wood Green (Sir H. Rossi), whose diligence is exceeded only by his qualities of chairmanship in the scrutiny of these Estimates, which are a less glamorous but vitally necessary part of the work of the Committee.

I should like first to deal with that part of class VIII vote 3 which relates to urban development corporations and specifically to refer to the London Docklands development corporation. Under class VIII vote 3 there is an allocation of approximately £50·7 million for the corporation. That is one of the best possible investments of public money. It is marvellous to behold the regeneration taking place in this eight square miles of our capital city. It is not simply a matter of redeveloping land or converting warehouses or building new homes. The corporation is making superb environmental use of the greatest natural asset of the area —the Thames and its docklands.

Mr. Tony Banks *rose*——

Mr. Chapman: I shall give way shortly. I will continue with what I hope is not a peroration but a few facts. I will then give way to the hon. Gentleman as he is

the leader of our county council. The LDDC development must be seen in the context of the great public service infrastructure. The docklands light railway is a most interesting enterprise and £15 million is to be provided for that from the Estimates, towards a total cost of about £70 million. I am pleased that rapid progress is being made on that enterprise and I acknowledge the Government's commitment in giving the go-ahead for the STOLport.

Mr. Tony Banks: The hon. Member for Chipping Barnet (Mr. Chapman) has touched on a subject that is very close to my heart and close to the interests of the residents of Newham. He mentioned that the LDDC was building houses. He must be aware that the majority of people living in Newham cannot afford to buy houses in the LDDC area. The Government have used the resources invested in the LDDC area as a reason for not allowing the borough of Newham partnership status. The 6 per cent. of Newham residents who live in the docklands area reap no benefit from the LDDC's activities.

Mr. Chapman: I think that the hon. Member for Newham, North-West (Mr. Banks) is being slightly short-sighted. I bow to the hon. Gentleman's authority and knowledge of the area, but in my view the whole thrust of the provision of housing in the docklands is to cater for all income groups as far as is practicably possible. Various docklands trust schemes have been set up, as well as the more conventional and recently introduced concept of equity sharing, and these provide opportunities for people to start the process of home ownership on quite modest means in that part of our capital city.

The hon. Gentleman's intervention gives me the opportunity to stress that what is taking place in the LDDC area is a classic example of what should happen in redevelopment—a marriage between private enterprise and public authorities. I am sure that co-operation is also happening in the Merseyside development corporation. Both private enterprise and public authorities bring their own special skills to the benefit of one another and to the satisfaction of the community.

Although the estimate for the next year's public expenditure programme for the LDDC area is £50·7 millions, there is little doubt that previous expenditure, with this expenditure and future expenditure, is primarily responsible for bringing in private development. Private companies have already committed themselves to commercial and industrial development to the value of £140 million in the LDDC area. Four thousand homes have been started or completed and 180 new firms have come into the area since 1981, creating 4,000 new jobs.

I have one query — not a criticism — about the relatively high level of expenditure allocated to administration and salaries for administration staff—20 per cent. of the £50·7 million total. I am told that those figures may not be correct. If they are not, someone must be held to account for providing misleading figures. Administration costs will necessarily be high because of the area in which the development is taking place. That £10 million of public money for administration should be seen in the context of private investment as well as public commitment.

Mr. Alton: The hon. Member for Chipping Barnet (Mr. Chapman) has highlighted the argument by the Chairman of the Select Committee about the need to monitor and evaluate the success of the LDDC and the Merseyside development corporation. An important difference between the two development corporations is that private enterprise has been successful in building homes in the LDDC area whereas no home provision has been made in the MDC area. Would it not be practical for the MDC to follow in the footsteps of the LDDC and to build houses?

Mr. Chapman: I acknowledge that the hon. Member for Liverpool, Mossley Hill (Mr. Alton) has greater experience of the MDC. I can speak with more authority about the LDDC than about the MDC. Home provision has proved to be a staggering success and that concept should be extended to other conurbations. I once wrote a very modest paper—so modest that it received little attention —pointing out that 15 years ago there was a case for earmarking certain areas of, for example, London, Birmingham, Liverpool, Manchester and Glasgow, to create special priority areas and so concentrate resources to redevelop and renovate and show what can be done.

My second point relates to the housing subsidies mentioned by the hon. Member for Islington, South and Finsbury. Class VII vote 1 relates to housing improvement grants. It is not all gloom and doom in this sector of housing subsidies. I took the precaution of checking the figures. In 1978-79—I do not know why I chose that year—£90 million was spent on housing improvements grants. By 1983-84 the total outturn was £933 million. Last year it had gone down to £778 million. Nevertheless, these figures show that there has been a massive increase in resources devoted to one type of housing subsidy. Improvement grants are, by any criterion, a most cost-effective way to renovate, refurbish and rehabilitate our housing stock—and they provide jobs.

I welcome the publication of the Green Paper, not because I think it has the complete answer or is an end in itself, but because it will create a framework for a better system for the most effective use of the significant resources devoted to this part of housing subsidy. There is a great case for ensuring, far more effectively than we have hitherto, that those resources go to the households that need them, rather than right across the board, irrespective of need.

I turn finally to the whole question of capital expenditure, which covers all the classes and votes which are the subject of the various motions. According to what I was told recently, under the present Government, whereas current expenditure has increased in real terms by 8 per cent., capital expenditure has decreased by 4 per cent. in real terms. I know that capital expenditure decreased even more dramatically in the previous period, but that shows that the Government were starting from a low base.

We must have a much more intelligently planned rolling expansion programme for our capital investment. We have managed to do it in defence and in the Health Service, so I cannot see why it should be beyond the wit of Government to try to isolate capital expenditure programmes from the general thrust of demand-led current expenditure in particular.

The capital investment in the nation's infrastructure is cost effective, and I do not see why the Government cannot announce that next year there will be an increase of X per cent. in real terms and the following year a further increase of, say 1 per cent. beyond that, and stick rigorously to it.

Mr. John Mark Taylor (Solihull): I wonder whether my hon. Friend, in his well-intentioned enthusiasm, is losing sight of one point. The capital expenditure programmes to which he is referring are often assumed to be labour-intensive and therefore helpful in regard to unemployment. Will my hon. Friend accept that most of the capital expenditure programmes in construction and environment are anything but labour-intensive? Will he concede that point?

Mr. Chapman: I concede it partly, in the sense that I withdraw the remark if I made it, but I do not think I said that I was advocating an expansion of capital investment programmes in the construction industry in particular because it was the most cost-effective way of providing employment. I am sorry if my hon. Friend thought I said that; I do not think that I did. What I said earlier was that increasing housing improvement grants is one of the most effective ways of providing employment in the construction industry.

But I go further and suggest to my hon. Friend the Member for Solihull (Mr. Taylor) and, respectfully, to the House that what is important is not only the level of investment in the infrastructure programme of the construction industry but that the construction industry should know what it is so that it can plan ahead to try to achieve it.

The House will know of my particular interest in construction and in the environment. I hope that the Government will find a more intelligent way of dealing with the programme for the construction industry, which is still our greatest industry, whether measured in terms of output or manpower.

5.13 pm

Mr. Kevin Barron (Rother Valley): It is not often that I am able to say that I agree with part—if not all—of a speech by a Conservative Member, but I agree with the hon. Member for Chipping Barnet (Mr. Chapman) in regard to housing improvement grants and their consequential effect on employment locally. I am pleased that it is not only Opposition Members who are calling the Minister's attention to that matter. Great difficulties are being encountered in the attempts to improve housing in my constituency and in the area of the Rotherham metropolitan borough, and at the same time there is tremendous pressure on the housing investment programme.

I wish to refer to two matters in the Estimates, one of which relates to housing. My hon. Friend the Member for Islington, South and Finsbury (Mr. Smith) spoke about the way in which the Housing Defects Bill was rushed through the House last year. I should like to draw attention to the plight of people living in defective houses. They have seen the Government introducing legislation to deal with the problem which has arisen when people have bought a pig in a poke, but the Government have done nothing to give local authorities the ability to repair such houses, if indeed they are repairable.

Hundreds of people in my constituency have bought housing direct from the Rotherham metropolitan borough council or from other public bodies in my constituency, such as the National Coal Board. They are still waiting for the Minister to introduce a proper reinstatement programme for Reema and Tarran houses, or alternatively to give money to my local authority for the repurchase of those houses if they cannot be reinstated.

The local authority is incurring expense in finding out exactly the plight of people and whether they would like to have their houses repurchased. I have in my hand six A4 size pages which were sent out in desperation by Rotherham metropolitan borough council, in May of this year, to tell the people who bought houses which are designated under the Housing Defects Act 1984 that at present very little can be done for them, apart from asking them to write to the council describing their circumstances, so that the council can decide whether such cases can be deemed to be emergencies and bought back.

When the Act was passed, Rotherham council was told that there would be money available, although the assurance was not very specific. The Government's role in making money available for housing in Rotherham in the past five years has been a diminishing one. This year, the council has been able to build only 60 bungalows. That is in an area with a population of over 250,000. In the late 1970s, Rotherham was in the proud position that within a fortnight people could move into new homes if they were unable to buy on the private market. Since public authorities started to sell houses, the vast majority of people in my area have been unable to buy them.

Not only has the council had to reduce its house building programme, but under the housing investment programme it cannot repair council house stock that needs repair. In addition, the council has not been given any money for the repurchase or reinstatement of houses designated under the Act.

I understand that in May of this year the local authorities submitted information on what they deemed would be the cost of implementing the Housing Defects Act. I urge the Minister to tell the House whether any decision has been taken in relation to Rotherham and other areas which have a large number of defective houses on their hands. Can he tell my council when it will get the money, so that it can write to the people concerned and tell them exactly where they stand?

In introducing the Housing Defects Bill, the Government, to put it mildly, put the cart before the horse. Hundreds of my constituents still do not know what is to happen. Some of them have had "For Sale" notices in their front gardens for over two years. Some people have been trying to sell houses and move up the housing market, but they have been denied the opportunity to do so. Although there is an Act, there is still no money for my local authority to carry out the legislation. I hope that the Minister will move quickly.

Class VIII, vote 2, relates to grants to the British Waterways Board. For the first time since becoming a Member of the House, I have had to write to the board this week because of a decision that it has taken. I give credit where it is due, and I give it to the Government for their decree that all uses of canals should be reviewed. The board has said that, for 12 months, it must remove the rights of Kiveton Park angling club to fish in the Chesterfield canal in the south of my constituency. The club has had that right since 1909. It has received a letter from the board stating that the review must be enforced, even though fishing rights may be restored after 12 months.

When aid is given to the British Waterways Board, the fact that the canals are not only used for transport but are a source of recreation should be taken into account. The South Yorkshire canal, which flows into Rotherham, has been used for many years for transport, but other canals,

such as the Chesterfield canal, are used for fishing. I ask the Minister to realise that recreational facilities on canals are important for many organisations and people. I hope that the Minister, under the aid given in the vote, will ensure that the recreational facilities and the need to improve canals are taken into account.

Mr. Tam Dalyell (Linlithgow): It is not just a matter of improving canals, but of maintaining them. In Scotland, canals are deteriorating quickly. Farmers in my constituency took me round last month to see the number of leaks in the deteriorating Victorian puddling. A huge amount of work is required to keep them in their present condition, let alone to improve them. Is the same problem developing after 150 years in my hon. Friend's constituency?

Mr. Barron: My hon. Friend has raised a good point. I am not always in favour of them, but many voluntary organisations and canal societies have been working for generations to stop the natural erosion of canals. When money must be spent and there is a lot of work to be done, that work cannot be done by voluntary organisations. The Minister must recognise that any provisions for expenditure must cater for the leisure side as well as for transport, which is already well catered for.

I would hate to suggest that all that the unemployed in my area have to do is to go fishing. There is a massive problem of youth unemployment in my constituency. If we cannot find them work, we have a responsibility to find them something to do, even if that means providing leisure pursuits on the canal. When the Minister is considering aid to the British Waterways Board, he must keep that in mind at all times.

5.23 pm

Mr. Frank Cook (Stockton, North): On a point of order, Mr. Deputy Speaker. May I draw your attention to column 1079, of yesterday's *Official Report*, where some singularly ill-founded remarks seek in rather pathetic fashion to wax critical of a Labour authority in the north-east. The fact that they are critical does not disturb me unduly, even though they are unjustified. However, they are attributed to me. I seek your guidance on how to have my name removed from such a pathetic effort.

Mr. Deputy Speaker (Sir Paul Dean): Is the hon. Gentleman saying that there has been an error in the report of what he said?

Mr. Cook: No, Sir. The statement is attributed to me, but I have no association with it. I was present at the time, but seated on the opposite side of the Chamber.

Mr. Deputy Speaker: I shall make inquiries into that, and I thank the hon. Gentleman for drawing my attention to it.

5.24 pm

Mr. John Mark Taylor (Solihull): For many environmentalists this year has been the year of the badger; for others, the focus has been on ancient monuments and the heritage, with anxious reference to Stonehenge. My remarks will relate to derelict land and urban renewal.

It is the contention of many of us from the provincial conurbations that the control of urban sprawl into the countryside is merely the converse of the more serious problems of deprivation, demoralisation and evacuation of the older central urban areas. The interests of those who would wish to see a denial of green field development as a soft option, and the interests of those who wish to see new resources put into inner-city areas converge. They are the same interests. In all the big provincial conurbations, an enormous consensus of political will is available to the Government should they wish to draw the fairly simple conclusion that has been circulating for some time: the political interests of the periphery of our provincial conurbations, usually in the hands of the Conservative party, and those of the older urban centres, usually in the hands of the Labour party, are the same.

In my constituency, there is a sincere and genuine desire to halt the sprawl into the green field countryside. There is a genuine belief that if resources are denied to constituencies such as mine, they should be made available in the central Birmingham and the central midlands conurbations, where the fabric is badly rundown and those resources are needed. When the Minister considers class VIII, vote 3, I hope that he will bear my points in mind. He will have a ready audience if he does so.

The green field soft option is easier for the developer than the hard, difficult urban site, such as the Saltley gasworks in Birmingham, which has underground, broken-down brickwork and poisoned earth to a considerable depth. Clearly, that site is the harder option. Initiatives must be taken to make the difficult site an attractive proposition to the developer. In this context, as other hon. Members have said, the development corporations have been an outstanding success. Development corporations have cut through and succeeded in difficult urban sites such as Merseyside and the London docklands. Even those of us who have spent a long time in local government are driven to the conclusion that development corporations often succeed because they can override local government and do not get clogged and fettered by its traditional mechanisms, which, although well-intended, are sometimes leaden-footed, negative and unhelpful.

In terms of ownership, much of the redundant land and demoralised sites in the urban conurbations are languishing in public ownership at unrealistic book values, which could have been designed to repel any interested inquirer. Such sites may be on the books of the British Waterways Board, public service undertakings, British Rail or even local authorities. People are inhibited by those unrealistic book values from putting such sites on the market. Would the Minister give some thought to a more enlightened or cavalier technique? If that brought results it might be worth the effort. Why do we not get the local authorities to acquire those sites compulsorily, at whatever price, and award comprehensive planning permissions to the sites? They could spend some money making them attractive and auction them for whatever price they will fetch. There would be only one proviso to the purchaser — whatever he chooses to do within the umbrella planning permission he should put the work in hand within a limited time. I cannot see who would be the loser from such an initiative. There would be some loss of money on the book values of publicly owned property, but those are unreal assets and perhaps the sooner they are written off the better. If what I have suggested is practical, so much the better.

I shall conclude by explaining my intervention in the speech of my hon. Friend the Member for Chipping Barnet

[Mr. John Mark Taylor]

(Mr. Chapman). I am anxious that we should not raise false hopes. Every right hon. and hon. Member is naturally anxious about unemployment and would like to think that there is a connection between spending more money on construcion and alleviating some unemployment. It would be irresponsible for any Member to raise false hopes. We should all take account of two important discounts. The first is that many major construction programmes are not labour intensive. The second—I am afraid that this example is anecdotal and a rather cautionary tale—relates to a conversation that I had recently with a major civil engineering contractor from the Wolverhampton area. He had one of the final stages of the M54 contract, the Telford motorway, just north of Wolverhampton. He advertised in Wolverhampton where unemployment is high for men to work at good pay on the final stages of the motorway. There was no take up from that advertising campaign. That civil engineering contractor was puzzled and anxious about the reasons for that lack of response.

In the closing days of the West Midlands county council, I should like to say that its forays into healing derelict land has been one of its successes. I contrast that with one of its more recent initiatives when it decided to go to Dublin to discover why Irish tinkers come to Britain. That decision was given some publicity recently. The matter comes within the ambit of the debate. The authority did not have to go so far to find the answers. I am sad that in its late stages, that authority should approach the difficult problem of tinkers and gipsies in that far-flung and self-indulgent way.

The Minister may not be competent to address that matter, but I am looking forward to his reply. I am sure that I shall enjoy it as much as I enjoyed the speech of my hon. Friend the Member for Hornsey and Wood Green (Sir H. Rossi), the Chairman of the Select Committee.

5.32 pm

Mr. Tam Dalyell (Linlithgow): Those of us who are not members of the Select Committee are probably in a better position than those who are, to thank our colleagues of all parties who are members. The House does not pay sufficient attention to the hard work that they do. Whatever their conclusions, it behoves those of us who benefit from the work to say thank you.

It is normal to excuse oneself for not following a previous speaker, but I should like to follow the hon. Member for Solihull (Mr. Taylor). We are discussing matters quietly, and I believe that there is an important and serious point to be made about what he said. I must concede that there is some truth in the fact that it is easy to say, "Yes, let us have public expenditure. Let us spend on infrastructure and there will be many more jobs." That case is rather spoilt by exaggerration, but I believe that there is a great deal of potential work in many projects.

One or two colleagues and I were told last year by the Institution of Civil Engineers that for every £100 million spent on sewers at least £55 million would return to the Exchequer in one form or another. The point relates to social accounting. The Severn-Trent water authority representative argued that although one had to take with a pinch of salt the amount of employment that would be created—I agree with that—by sewer reconstruction, if more people were employed that would result in less unemployment benefit being paid, more people paying taxes and more prosperous firms. That catalogue is familiar to the House. Less would also be paid in national insurance, housing benefit and various other benefits. A major sewer programme is needed, because hardly a week goes by without us reading in our local newspapers of major roads crumbling over Victorian sewers. If one takes account of the social cost, is a major sewer reconstruction programme as costly as is made out?

I should have liked to be a fly on the wall at the Cabinet meeting this morning which discussed the Government's public expenditure problems. I hope that some Ministers—I do not like to put it this way—had the wit to ask what the cost of a major programme would be. I agree with the hon. Member for Solihull that a case can be brought into disrepute by being over-egged, but, nevertheless is there not something to be said for major capital programmes? How much do they cost? How much will doing something about the waterways cost?

I am one of the few Labour Members who represent a large number of farmers. During the rainy weather last month I was taken around some waterways by friends of mine who are farmers. Mr. Sandy Manson of the Pardovan farm near a canal between Edinburgh and Glasgow showed me point after point where the canal was leaking.

The time has passed for minor repairs or patching. Civil servants at the Scottish Office or the Department of the Environment who are involved with the environment must understand that sooner or later the problem must be tackled. Every five years that passes, the problem worsens. The clay and the puddling deteriorate. The Victorians built well, but the canals cannot be expected to last for ever. At some time, someone, somewhere, will have to do something about them. What is true of Scotland is true of south Northumberland and north Durham, as my hon. Friend the Member for Tyne Bridge (Mr. Cowans) knows well. I suspect that the problem is repeated in south Yorkshire, Birmingham and Wolverhampton.

Mr. Chris Smith: Does my hon. Friend agree that there is a further point, which is perhaps rather better illustrated by the analogy of motorways than canals? If we spend 2 per cent. more on motorway construction than is being spent at the moment, motorways will last for considerably longer. If we put more money into quality construction, it lasts longer and therefore less has to be spent on repairs.

Mr. Dalyell: I endorse that point strongly. Last Friday week, Scottish Labour Members were guests of the RAC and AA in Glasgow. They made the point that there had been skimping—I shall not bore the House with the details—on some of the motorway foundations. We are reaping endless trouble from that. This raises the issue of road repairs and potholes and the fact that if repairs are not done roads will deteriorate.

I strongly agree with the hon. Member for Chipping Barnet (Mr. Chapman) on the question of housing. The city of Glasgow has worked miracles in the past five years. When people see what can be done to raise the row by relatively small sectors that are "outstanding", to use the word of the hon. Member for Chipping Barnet, great advances can be made.

Mr. Harry Cowans (Tyne Bridge): I have listened to my hon. Friend, and surely he agrees that the converse is also true. Local authorities are unable to complete the clearing of an area to build better houses because of

Government cuts in housing. People are left in limbo because they cannot pay the compensation necessary to clear the area, and instead of making improvements the area is left like a battlefield.

Mr. Dalyell: It is awful when the job of clearing cannot be finished. My hon. Friend knows more about housing policy than I do, so I simply endorse what he says. When there is not the money to finish the job, it is extremely wasteful over a period of time.

I represent a fairly small local authority, West Lothian district council, with which I have an excellent relationship and for which I have the greatest respect. Even a small authority such as that needs £190 million to £200 million for necessary repairs. That does not include luxuries or frivolous work, as was confirmed by the director of finance, Mr. Stanley Stirton, and others. Those may seem staggering sums, but I return to the social calculations. Such repair work will take people off the unemployment register. Bearing in mind the cost of unemployment and housing benefits, and the potential income from national insurance and extra taxes, how much does it cost to employ people when we have 25 per cent. or so unemployed and the possible withdrawal of British Leyland, Bathgate and the closure of the Polkemmet pit?

These are urgent issues for a community such as I represent. I hope that during this quiet debate we can have a reflective answer from a reflective Minister, who has not been afraid to speak his mind on other matters.

The work that could be done if more funds were given to the Historic Buildings Council for Scotland is also labour intensive. I am told that if the £22 million for the national heritage memorial fund under class VIII, vote 4 were doubled, contractors could employ far more young people in the traditional crafts such as stonemasonry, lead piping, lead roofing and the rather difficult plumbing in an old building. Moreover, a great deal of the money which would be paid out would return to the Exchequer.

I went on a brief visit with the Historic Buildings Council to Methuen castle three weeks ago. The contractors I met there explained at great lenght the need for a little more money and said that they could then go ahead with more projects. That would create a difference in employment in rural areas.

Mr. John Mark Taylor: I accept the point made by the hon. Member for Linlithgow (Mr. Dalyell) that many of the heritage and conservation programmes are indeed labour intensive. I make that intervention to balance what I said earlier.

Mr. Dalyell: In a sense, there is cross-party agreement on this matter. I hope that Ministers will note that and reflect on it.

Class VIII, vote 4 relates to redundant churches. Something must be done, and quickly. The hon. Member for Hornsey and Wood Green (Sir H. Rossi) and I have been on heritage visits together. He knows exactly what the problem is. Time is often not on our side when the fabric is deteriorating.

Class VIII, vote 2 refers to the additional responsibilities taken on by the Nature Conservancy Council. I have asked this question before. Because of what has been learnt at Halvergate and elsewhere, has not the time come when, rather than pay out money to people who are doing what they ought not to be doing, we should consider listing sites of scientific or special interest in relation to nature reserves, such as we automatically accept for buildings?

It is difficult to make the point properly during Question Time, but the matter came up yesterday during Environment questions. It is all very well for the Minister to say that £50 an acre is being paid out all over Halvergate, but that represents quite a bit of money if it is repeated throughout Britain. Is this really a proper thing to do? Is it not time that the Government considered listing?

Class VIII, vote 3 deals with derelict land. It is extraordinary that, so long after 1945, and unlike any other country in Europe, there seems to be derelict land in all of our constituencies. I am a passionate believer in local authorities. Could not some policy be worked out with them to enable them to do something about the problem? Here again, the solution is labour intensive.

I shall not trespass on the speech of my hon. Friend the Member for Norwood (Mr. Fraser), but those of us who have the problem of travelling people in our constituencies feel that more could be done to provide them with sites. It is an extremely sensitive issue. The attitude in my constituency is, "Yes, we must have facilities for travelling people, but not next to me." That is a familiar feeling. Problems are created, however, by the failure to provide facilities.

The Under-Secretary of State for the Environment, the hon. Member for Bristol, West (Mr. Waldegrave) came on board the royal research ship Charles Darwin—I was glad to see him there—when some of us were invited to do so by the Natural Environment Research Council. It is just by HMS Belfast in the pool of London. Although I am relating the problem to class VIII, vote 5, the problem is that many Departments are involved. Professor Sir Malcolm Brown, the head of Keyworth, explained that his work is made difficult because it depends partly on the Department of the Environment, partly on the Department of Education and Science and partly on the Ministry of Defence, so consideration goes all around Whitehall.

If the Minister says that my question must be answered by the Department of Education and Science I shall not quarrel about it, but I would like to know about the ocean drilling programme. It is a matter of shame to our country if we cannot afford the candidate membership of that programme. We were to have been partners with the United States, Canada, Japan, France and Germany. We have a great deal of expertise, and all those who went on the Charles Darwin must have been impressed by the well-known international calibre of British scientists working in this area of activity. Something should be done.

The Wildlife and Countryside Act features in the Estimates. Endless time was occupied in Committee discussing marine nature reserves. Having recently visited the marine biological laboratory at Plymouth and talked to the director, I understand that there are problems at Penzance and Lundy. I suspect that the marine nature reserves have not got off the ground, partly because of the resistance of fishermen. They are afraid that the inspectors are connected with Her Majesty's inspectors of taxes. The last people the fishermen want to see are tax inspectors. Has the Department of the Environment any view to offer about the delay at Lundy and in the Scillies and, as a Scot, more urgently for me, about the fiasco of St. Abb's Head? Furthermore, it is most important that something should be done fairly soon about Loch Sween.

[Mr. Dalyell]

I put down a question yesterday about the Property Services Agency:

"To ask the Secretary of State for the Environment, if he will give a breakdown of the £89 million required for the progress of the Mount Pleasant airport in the Falklands after 1 June."

In his reply the Under-Secretary of State for the Environment said:

"It is not the practice to disclose rates for particular components of Government contracts, but I can say that essentially the sum covers the balance of work to complete the secondary runway, aircraft apron, roads, buildings and services, together with the site clearance of temporary facilities when construction ceases and the usual provisions for retention pending the expiry of maintenance periods on work already completed."—[*Official Report*, 10 July 1985.]

I wonder, as my hon. Friends on the Front Bench may wonder, what would have happened to Liverpool, Lambeth and some of the other local authorities in London if they had suddenly decided to spend £89 million? Yet this happened without a cheep. The Falklands expenditure is sacrosanct. No local authority could get away with expenditure of that kind.

Mr. Cowans: They would have been rate capped.

Mr. Dalyell: As my hon. Friend says, they would have been rate capped. What is sauce for the goose ought to be sauce for the gander. Time after time I used to bore people stiff—[Hon. Members: "Never."]—by asking about the cost of the airport. Even those civil servants who should not be here are laughing. Every time the answer, carefully costed, was that it would cost no more than £215 million and that there would be absolute cost control.

Mr. Tony Banks: My hon. Friend never bores the House by drawing attention to the peculiarly perverted values of the Government about Falkland Islands expenditure. Does he accept that if the money that was spent on the airport in the Falklands had been used in the London borough of Newham, it would have solved its housing problems?

Mr. Dalyell: This has come to be known as the Margaret Thatcher international airport. Its financial history is revealing. It started at £215 million. Time after time the cost was said to be £215 million. Then it edged up to £240 million. By some alchemy, it then rose to £360 million. From 1 June another £89 million had to be added. We also find that the "wide awake" airport at Ascension Island is to cost another £49 million. The cost is already over £500 million and it is edging steadily upwards. What has happened to the monitoring of PSA expenditure? All that the Under-Secretary of State, who is a nice man, can do is to give a watery smile. If I were talking nonsense, he would be down my throat. There is one law for military expenditure and another for local authority expenditure. It is not a sensible way to run a country.

5.54 pm

Mr. Robert B. Jones (Hertfordshire, West): Tempted though I am to follow in some detail the breadth and depth of this debate, I shall return to some of the issues that were raised by my hon. Friend the Member for Hornsey and Wood Green (Sir H. Rossi).

On the Department of the Environment Estimates, the mobility ratio of local authority housing is very important if we are to encourage those who might wish to seek jobs in the more prosperous parts of the country to move. It is not just a question of increasing the percentage of stock that is put aside from 1 per cent. to perhaps 2 per cent., important though that is. What worries me is that many authorities do not participate in the mobility scheme. I single out in particular Scottish local authorities. Scotland has higher than average unemployment. One might think that there would be a ready willingness to co-operate with other local authorities by asking them to make available a percentage of their stock. I hope that the Under-Secretary of State will consider how the mobility scheme could be strengthened.

My second point, on improvement grants, was mentioned not only by my hon. Friend the Member for Hornsey and Wood Green but by my hon. Friend the Member for Chipping Barnet (Mr. Chapman) and the hon. Member for Islington, South and Finsbury (Mr. Smith). There has been a massive increase in expenditure on improvement grants. A more discriminatory policy in terms of need is appropriate but it is a much more complex problem than that. In the prosperous parts of the south-east it is common for the price of houses that need to be improved to be inflated, in the sure and certain knowledge that the purchaser will be able to secure an improvement grant. In such areas as north-east Lancashire, however, where the average price of a house is much lower, an improvement grant may result in an even lower price being obtained on the open market. A loan system may work in some areas but not in others. I hope that this point will be taken into account during both this discussion and subsequent discussions on the Green Paper.

As for canals, I have to declare an interest as a member of the amenity advisory council of the Inland Waterways Association and as the chairman of the all-party waterways group. Having press-ganged the hon. Member for Rother Valley (Mr. Barron) into becoming secretary of the group, I am pleased that he has spoken on the subject so soon after his appointment. I hope that we shall hear often from him on the subject. It is only fair to say that the Government have increased substantially the resources of the British Waterways Board. That has enabled it to clear up the backlog of work and make improvements. This is already evident in many projects. However, the BWB could do much more to help itself.

My hon. Friend the Member for Solihull (Mr. Taylor) referred to the use of redundant land. That is true of other under-utilised assets. An example is Lock Cottage at Cow Roast in my constituency which is tenanted by Mr. and Mrs. Kent. When it offered to sell the cottage, the BWB's valuation was £65,000. I sought three other valuations from professional valuers in the area. The average valuation was £45,000. As my hon. Friend the Member for Solihull said, that is typical. The BWB did not want the valuation to be carried out by an independent valuer. I suggested that somebody should be appointed by the Incorporated Society of Valuers and Auctioneers. However, the BWB was determined not to realise that asset.

Finally, I wish to refer to the thorny and vexed question of gipsy sites, which is not as easy as has been suggested. I have served on a local authority — Chiltern district council — which sought and obtained designation. As soon as the expenditure on the sites had been put in hand and we had bright, new and clean gipsy sites, the so-called gipsies moved in and vandalised them and demolished

everything that was there. It was totally wasted expenditure. I wonder what value for money we get from some of those schemes.

On the other hand, my own local authority in Dacorum is being flooded by travellers not just from boroughs and districts that have obtained designation but by some people who have been evicted from the Molesworth protest site. We are trying in vain to achieve designation but are frustrated time and again by the changing criteria which reflect the fact that people see our area as a transit camp on the way to getting a site at one of the new official gipsy locations. The whole system of gipsy sites needs to be carefully examined.

With regard to the Property Services Agency Estimates, my hon. Friend the Member for Hornsey and Wood Green referred to the inadequacy of the local discretion given to managers. A sum of £1,000 is a small sum over which to have jurisdiction when putting out work. That would not be so bad if, as a result, there was not duplication. A local manager, given the opportunity to put out a project for under £1,000, may discover later that, because it has been many years since the application was made and it has only now reached the end of the pipeline, it is being let as part of a major contract. Such duplication occurs far more frequently than the PSA is prepared to admit.

The PSA is a notoriously slow payer and thus it is difficult to attract competitive bids at the local small or major level. I hope that my hon. Friend the Member for Hornsey and Wood Green will give the PSA a firm kick up the backside to make it pay more promptly for the services that it commissions.

Perhaps at this stage the existence of the PSA should be considered and a decision reached on whether it should be divided among other Departments or eradicated. Even if the PSA remains in existence, there is some merit in placing it under an obligation to follow the rules and regulations that govern local authorities under the Local Government, Planning and Land Act. For example, why are local authorities obliged to put out to tender a cross-section of one third of their ordinary maintenance work but the same obligation does not apply to the PSA? That is certainly food for thought when the Minister considers the PSA.

I should like to add my voice to that of many of my colleagues in congratulating our Committee Chairman on the way that he leads us. It is always pleasant to serve on a ship where the captain has a firm hand on the tiller and where he shows such clarity of thought as the present incumbent. In saying that, I am sure that I speak for those of all political parties.

6.3 pm

Mr. Peter Pike (Burnley): I wish to refer to a few items within the Department of the Environment's Estimates. Dog licences, which are referred to in the Select Committee report, were also mentioned by the hon. and learned Member for Blackpool, North (Mr. Miscampbell).

There is a need to remove the present crazy anomaly whereby the collection of the dog licence fee amounts to more than the revenue from the licence. However, from my own experience in Burnley I have learnt that much controversy surrounds dog issues. I strongly advise that it should not be left to local authorities to determine the amount of the licence fee. There should be a nationally based fee to avoid the inevitable comparisons which would be made if authorities were allowed to set the fee themselves.

I agree with the hon. and learned Gentleman that the revenue should be used to provide services such as dog wardens, and certainly Burnley would like an additional dog warden. Due to the present Government restraint, it has been unable to employ another warden. Despite the controversies arising in Burnley from the dog ban in certain parks — I stress "certain" because only a relatively small area has been affected by the ban—it is a reasonable compromise which has been overwhelmingly accepted. I believe that the Department of the Environment should consider the matter and give more advice to other authorities that wish to follow in that direction. The advice given could be based on the experiences and problems that we encountered in Burnley, which I believe can be blamed on both the council and the people who opposed that ban. In certain parks children can play on the grass without fear of being covered in dog dirt, which is welcome to many parents, yet in other parks, usually in close proximity, dogs are allowed.

Canals have been referred to in the debate. That is an item of great importance to a constituency such as mine, through which the Leeds and Liverpool canal runs. Lancashire Enterprises Ltd., a subsidiary of Lancashire county council, has formulated a programme to improve the canal and bring it back to standard. That applies only to the section of the canal in the Lancashire county area. The cost of the scheme to revitalise it is the staggering figure of £81 million. The company hopes to fund certain sections of the canal, depending on the areas that it goes through, through urban development grants, the urban programme, Manpower Services Commission schemes and other assistance from the Government. If we are to deal with the important problem of canals and waterways that need urgent attention, we have to ensure that the British Waterways Board and other bodies involved have the necessary resources to tackle it.

Many difficulties arise from all the different aspects of the urban programme. Some of those items are now being considered by the Government. There are many anomalies under the traditional urban programme. Many people are disappointed this year at the allocations that were given to them. It seems a bit of a nonsense to invite all authorities to apply to the urban programme when there are insufficient resources to allocate. It might be more appropriate to concentrate resources on areas of urban deprivation if they are limited.

There are programme authorities, partnership authorities and designated authorities. There are many anomalies among them, too. I, for one, cannot see why expenditure arising under the urban programme can be disregarded for penalty purposes for programme or partnership authorities, but not for designated authorities. To me it is only a matter of degree.

I was surprised when my hon. Friend the Member for Newham, North-West (Mr. Banks) said that his borough was not a partnership authority whereas Islington is. That shows the great uncertainty about how authorities are designated. The Under-Secretary will say that there are different categories of local authorities and different headings of deprivation, and one has to be classified under so many of those headings to qualify. However, when one looks at some of the authorities, one stands back and says, "I wonder why that one has managed to achieve that status

[Mr. Peter Pike]

and the other one has not." Burnley is a designated authority, yet two authorities on either side, Pendle and Hyndburn, which are very similar, do not have that status.

Mr. Tony Banks: I endorse my hon. Friend's comments. It does not make sense to Newham borough council. We look at those authorities close by which are partnership authorities or programme authorities. I do not want anyone to think that I was suggesting that Newham wants to take something away from the surrounding borough, which we know is also deprived. It is very difficult for us to explain to the people of Newham why Tower Hamlets, Islington and Hackney and other nearby boroughs get special support while we do not.

Mr. Pike: My hon. Friend has made the point very well. I take exactly the same view of Blackburn, which is close to Burnley. Those of us in Burnley would not wish Blackburn to lose its higher classification. It is extremely strange that Pendle and Hyndburn have no classification. We need to see whether this programme is catching all the authorities as it should be doing.

On the matter of grants, the hon. Member for Hertfordshire, West (Mr. Jones) referred in particular to north-east Lancashire. I referred to that subject in the Select Committee when we were discussing the Estimates. The Government will have to consider carefully the implications of their Green Paper. Too often the Government look at housing as it is in London without looking at valuations and other factors in the provinces. In Manchester and Liverpool, the problems are very different from those only 24 miles away in Burnley, in north-east Lancashire, where property values are much lower. In those areas, if a person improves his house, the selling value, after his own share and the contribution from grants, will be less than the value for which that property could still be sold. That is one reason why council house rents are far too high. We had to increase them because of Government policy, and now semi-detached council houses are empty because people can buy terraced houses far more cheaply.

The Government should consider carefully before making changes in grants. There is abuse, and when the Minister for Housing and Construction came to Burnley last year he saw the problem for himself. He did not go on the exact tour that we had planned, because when we were driving round the streets of Burnley he suddenly said, "Stop the car, I want to get out." He went to the nearest person on the street and said, "I want to see your house." The house he want into proved the very point that the Government should look at closely. It was a house that had been improved on a grant; the grant was insufficient, and the house needed another grant to bring it up to scratch.

The Government should give councils the authority to inspect all work to make sure that contractors carry it out to the proper standard, and they should give councils the financial resources, powers and staff to do that work. Hon. Members on both sides of the House must be anxious to ensure that we get value for money. If the grants system is abused, whether by contractors or by anybody else, we should be concerned about it because it is a waste of public money which could be better used to make sure that other houses are brought up to standard. I accept that this may not be a major problem, but in my area the problem does exist. As I have said, the Minister for Housing and Construction saw it for himself, not through any planning by Burnley borough council, but purely because he stopped the car and wanted to look at a house immediately.

The Opposition have a right to argue about insufficient resources—and resources are insufficient—but I have always accepted that the Government have the right to limit the amount of money available whether we like it or not. My biggest objection is that this Government seem to believe that councils should not have the additional rights to determine at local level what they wish to spend and what additional resources they want to put in. Whichever political party is in government and however much I might disagree with the figure that the Government have fixed, they have a right to say what money they will put in. But councils should be given the freedom to raise money locally to tackle the jobs and problems that they were elected to tackle.

6.15 pm

Mr. Tony Banks (Newham, North-West): It is always a pleasure but a daunting task to follow my hon. Friend the Member for Burnley (Mr. Pike), whose knowledge of local government matters is unrivalled in this House. He was a distinguished leader of Burnley council.

For obvious reasons I should like to speak about the Government's housing policy in London. There must be something wrong with their policy on housing, because the Duke of Edinburgh, the Archbishop of Canterbury and the right hon. Member for Old Bexley and Sidcup (Mr. Heath) have all said at different times that the Government have got it wrong. That is a most distinguished trinity of Establishment noses to get up. I hope the Minister is thinking carefully about the critics of housing policy among the Establishment, and not just among the Opposition.

It is arguable that the Government have not one housing policy but two — one for votes and one for public spending. Their votes policy appears to be to spare no expense to encourage or woo people into becoming owner-occupiers in the belief that home owners vote Tory. The policy is matched by a number of Labour Members who seem to think that all council tenants vote Labour. Both concepts are mistaken.

Changing the legal terms under which people occupy their homes does nothing to solve our housing problems. Put simply, there are not enough homes to go round and the homes that we have are decaying rapidly. The Government's public spending policy is to concentrate cuts on public investment on housing in order to compensate for their failure to keep other areas of public spending under control. Since 1979-80 London has suffered a cumulative loss of more than £3,000 million, and provision for public investment in London's housing has been chopped by two thirds.

London's housing problems are enormous and grave. The fabric of houses is deteriorating and 640,000 London homes are unsatisfactory. Many of them are in the private sector. Homelessness is increasing. Last year, there were 25,000 homeless families in London, with 3,000 of them in bed and breakfast accommodation. Waiting lists are lengthy; there are 500,000 people on the waiting list in London alone. In 1982 the Government stopped keeping separate figures for unemployed construction workers, but then there were about 40,000 such workers on the dole in London.

Building figures are heading for new lows. Only 4,000 new council homes were started in London last year compared with 25,000 in the mid-1970s. The forecast is that performance will drop still further. The Government are now trying to hush things up hoping that nobody will notice how bad they are. In mid-June, *The Guardian* reported that, although the Government were committed to another survey in 1986 of the condition of the nation's housing stock, they intend to fiddle the definition of unfit property to make it appear that the situation is not getting worse.

In the Department of the Environment the Minister is seen as the personification of a human punchbag because of the way in which he keeps getting put up to deal with these unpopular subjects. I hope that he will confirm or deny that story which appeared in *The Guardian* in June. In the six years since the Prime Minister came to office, her Government have made no attempt to discover what the real housing need is, despite repeated requests to do so.

Indeed, it has been left up to the Royal Family. I admit at once that the Duke of Edinburgh is not a person I have always associated with housing need. However, the inquiry into British housing, chaired by the Duke of Edinburgh, found that housing need is a national scandal. On all the international comparisons, we come out bottom of the league. On the number of homes produced per 1,000 inhabitants, we are bottom; on housing investment as a percentage of GDP, we are bottom; on gross fixed residential construction as a proportion of GDP, we are bottom. That list emerged from the Duke of Edinburgh's inquiry, and in each case we came below countries such as Belgium, Portugal, Spain, Italy, Iceland and Ireland as well as the richer western economies.

In 1983 the Conservative manifesto claimed that the Government would make Britain

"the best housed nation in Europe".

It is about time that they explained what happened to that commitment and why that promise has apparently been abandoned.

Class VII, vote 1, relates to general subsidies to local authorities. As my hon. Friend the Member for Islington, South and Finsbury (Mr. Smith) pointed out, this item has been reduced drastically since 1979 when general subsidies to local authorities amounted to £1,300 million. This year they have been cut to £400 million. But in real terms the cut has been that much greater, and the mechanisms have been draconian increases in council house rents and savage cuts in housing programmes that have reduced the rate of creation of new debt.

In a surprisingly frank piece of drafting in the introduction to class VII, vote 1, it admits that the purpose of driving up rents and slashing investment was to drive people into becoming home owners. It states:

"The underlying downward trend of entitlement to section A subsidies reflects the emphasis on increasing home ownership through the sale of council dwellings and lower capital expenditure on new public sector provision."

There is no other justification for that than an ideological one.

Mr. Chris Smith: Will my hon. Friend also note that one of the results of the way in which the Government have forced public sector rents up over the past three or four years has been that throughout the country most housing revenue accounts are now in surplus? That means that rent payers are subsidising the ratepayers. Is not that a gross misuse of rent funds?

Mr. Banks: I could not agree more with my hon. Friend.

The figures in the Estimates are only gross Exchequer subsidies. But according to some sources, services on council houses in many areas result nationally in council housing making a net profit and receiving no subsidy at all. Will the Minister confirm or deny that? A number of Conservative councils — Wandsworth is one — have pushed up rents as a way of transferring money from the publicly rented sector to subsidise those in the private sector as well as ratepayers generally. That is a gross abuse of housing revenue accounts.

My hon. Friend the Member for Burnley said that council rents have been forced up. Since 1979, rents have risen by double the rate of inflation. In that year, average rents in London were £7·93, but by 1984 they had risen to more than £17—an increase of more than 125 per cent. Rising rents contribute to inflation, but that does not seem to concern the Government because in their mind it appears that inflation is unimportant when its effects impinge mainly on council tenants.

The Government will no doubt say that the increases were necessary to catch up on the Labour years when rents fell behind, but they have gone much further than that. Until there was a marginal fall in the last couple of years, they pushed up rents so far that they accounted for a higher proportion of male manual earnings than at any time since the war.

The Government's traditional response has been that rent increases do not matter very much in the council sector because the poor are protected by housing benefits. A total of 65 per cent. of council tenants in Newham receive housing benefits, but the shambles of that system means that the poor have never been protected. Still less will that be true in the future because the Secretary of State for Social Services plans to take £500 million of that benefit away from the poor and the old.

General subsidies also include help towards the cost of managing and maintaining council estates. The effect of cutting back, combined with block grant penalties and rate capping, has been to pressure councils into reducing the number of caretakers and the regularity of maintenance — the very factors that the Department of the Environment has identified as being central to good management. Indeed, the Secretary of State for the Environment had the gall to stand up at the Institute of Housing conference in Harrogate last month and tell local authorities that they had failed their tenants. He announced that he was setting up a new unit, to be called the urban housing renewal unit, to privatise the estates. In fact, the Government have set up a self-fulfilling prophecy.

The Government are obsessed with home ownership at the expense of everything else. They are fond of quoting surveys that show that most people want, and expect, to be home owners. That is hardly surprising, given the choices on offer. Many people now see home ownership as their best bet, and no one denies that owner-occupation has a dominant role to play. However, those who are excluded from home ownership, of whom there are large numbers in London, should not be made to pay such a heavy price.

[Mr. Banks]

I never miss the opportunity to draw the Minister's attention to the housing problem in Newham. The council, together with the Newham Chamber of Commerce, the Newham Voluntary Agencies Council, the Newham Council for Racial Equality, the Newham health authority and the GLC, wrote on 5 July to the Prime Minister and the Secretaries of State for Trade and Industry, the Environment, the Home Department, Education and Science, Employment and Social Services. They made out an undeniable case for partnership status for the London borough of Newham. Indeed, the Minister knows that we have an undeniable case, So why does his Department still deny us the undeniable?

There is a severe shortage of homes in my borough. It is currently estimated at almost 3,000. Homelessness is now higher than ever before. More than half the privately owned homes in Newham are unsatisfactory, either through disrepair or a lack of bath or inside toilet.

One tends to associate Labour boroughs with high concentrations of council tenancy, but in my constituency more than 50 per cent. of people are owner-occupiers. However, the houses that they occupy are in grave need of repair — and that terrible problem is being exacerbated by Government policies.

Nearly a quarter of council accommodation is situated in the 112 tower blocks, and more than 800 families with young children who live in those blocks are waiting to be rehoused. We desperately need assistance from the Minister. He knows what is going on in the borough of Newham. He knows the problems associated with Ronan Point and the TWA blocks. What extra assistance will he give to the Newham council to deal with the problems that he knows exist? He has been to the borough and has seen them for himself. When may we expect to be given the partnership status that we so desperately need?

My last point is on class VII, vote 2. It is only a small amount in terms of overall subsidies, but it brings me back to a point which came up during the passage of the Local Government Bill on Monday—when the hon. Member for Devizes (Mr. Morrison) said that he supported the guillotine motion because he wanted to brush out of the way the embarrassment of the abolition of the GLC and the metropolitan county councils. Let me bring it straight back to the House. In class VII, vote 2, section B1(2) deals with

"Discretionary grants and loans towards the cost of arrangements to facilitate public sector tenant mobility under section 46 of the Housing Act 1980."

It provides £75,000. This is the code of the national mobility office — four and a half persons in a semi-quango running the national mobility scheme — which the Government propose should take on the Greater London mobility scheme and the seaside and country homes scheme.

The Estimates show just how absurd that is as a proposal from a Government who believe that the national mobility office is the appropriate body to take on these major functions. The cost of the two GLC schemes is at least 10 times that of the present office of the national mobility scheme. Can the Minister tell us what will be the cost of section B1(2) in 1986-87, since the Government have already made it clear that they will pick up the bill for the Londonwide mobility scheme and for the seaside and country homes scheme. How does that square with the Government's claim that abolition will save money?

6.31 pm

Mr. John Fraser (Norwood): We are all very grateful to the Select Committee for picking out a number of matters and I do not intend to comment on more than a few, but perhaps I could start with gipsy sites. We all know that gipsies arouse strong feeling. When I have visited a gipsy site I have been given advice in what might be described as unparliamentary language. I thought I had to put my camera in my case rather than somewhere else. When one talks to the neighbours one is often approached in unparliamentary language as well. Nobody denies there is a difficulty about gipsies and travellers, but we need to get it in proportion.

As the Select Committee points out, there are roughly 10,000 travellers — about 20 traveller families per district or borough — in England and it should not be beyond the will of the boroughs to make provision for gipsy sites. Many authorities which are very hard pressed —I include my own in Lambeth—have honoured their responsibilities and some have neglected them. But there is no longer any excuse for dereliction of duty because gipsies are not popular. The fact that sites are not provided does not make the problem any easier. It simply shifts it somewhere else and in an unplanned way. The seasonal pattern of settlement by travellers needs to be looked at. My observation in Lambeth is that they tend to come into the city in winter and move out during the summer. There may be seasonal variations in other parts of England. It would be worth while looking at whether seasonal camp sites for travellers might meet part of the problem. I hope the Government will get the recalcitrant local authorities to do their duty, particularly since the Government are paying 100 per cent. of the cost.

I make no apology for mentioning a constituency point about the urban programme. I represent a borough which is in an inner-city partnership. Last year we had a net benefit, because the Government pay 75 per cent. of the cost of the inner city partnership, of about £10 million. That seems generous, but of that £10 million half went to voluntary organisations. My borough disperses a good deal of money among voluntary organisations. Only half of it went to what might be called statutory schemes. The net benefit to Lambeth council, which is in an inner city partnership, was £5 million.

Last year, penalties imposed on Lambeth council amounted to £15 million. For every pound that was being put in the collection plate, £3 was being stolen from the vestry. This borough is one of the third most deprived in the country and it is now engaged in a battle with the district auditor as to whether its conduct of affairs in Lambeth has been in order. I hope the Minister will have some regard, even at this late stage, to the financial responsibilities of boroughs such as Lambeth.

The urban programme imposes a very heavy burden as programmes become time expired and need to be picked up by the local authority. I hope the Minister's department will recognise the great burdens that are placed on these authorities and the fact that they are being fined. Last year my borough was fined £3 for every pound net which went into its coffers. If one sets this against the aid which one sees in the Estimates going to the London Docklands development corporation—£50 million with 20 per cent.

going on administration expenses—it does not appear that the same discipline applies there. The same kind of discipline does not apply in Islington as in Lambeth. I am sure that the results of expenditure by the local authority within the inner city partnership in the constituency of my hon. Friend the Member for Islington, South and Finsbury (Mr. Smith) are that houses are selling at £250,000. The contrast between the expenditure which the docklands corporation is liable to undertake and the penalties imposed on almost every single partnership authority shows that there is no justice as between the two.

Mobility means being able to move from one part of the country to another, which is a matter close to the hearts of many local authority tenants. When people talk about the right to buy and own their own homes, they are talking not merely about ownership itself but about the incidence of ownership, the freedom to be able to move from one part of the country to another in order to be near a relative or to obtain a job or simply because they choose to move. I have every sympathy with them, but the Estimates show that there is very little consistency in the help offered.

Last year there was a one in 450 chance of a local authority tenant moving under the two mobility schemes mentioned in the Select Committee report. The average Government contribution per move was £28·92 for local authority tenants. If one were a housing association tenant and that housing association was not a charity, the contribution to mobility costs would be nil. If, on the other hand, one was a tenant of a charitable housing association and was able to claim the discount and buy a house in another part of the country, the maximum contribution to the tenant of the charitable housing association would be £24,000, 60 per cent. of the maximum cost of £40,000. There can be no justification for such wide inconsistencies as between one group of occupants and another. Bearing in mind that people attach great importance to being able to move from one part of the country to another, I hope that the Government will see what can be done to improve the chances of transferability.

We have an enforced mobility time bomb ticking away when, towards the end of July, many thousands of young people in London in receipt of help with bed and breakfast from the Department of Health and Social Security will be forced out of accommodation because the Government are intent on saving money by abolishing this benefit.

I turn to class VII Vote 1 and I take as my text part of paragraph 14 of the Select Committee report which says:

"It seems certain that there is a very large backlog of housing maintenance at the present day and, against that background, it seems to us imperative that the available resources are appropriately distributed between the private and public sectors. No one knows at present if that is being done."

We do know something about what is being done. First of all, we know that the Estimates before the House are wholly inadequate to preserve, let alone improve, the housing stock in both the public and private sectors. The Department of the Environment has engaged on a policy of economic lunacy. Those are not my words but the words of many Government Members used in debates on capital expenditure. That Department and its Secretary of State has become a housing Nero fiddling while Britain crumbles.

I use the word "fiddling" because that is exactly what it has done with capital receipts. The Government introduced a right to buy. They argued that the money could be reinvested in housing, that money gathered in was the local authority's own funds. Now we find that £6,000 million at least stored in the coffers of local authorities cannot be spent in order that the Chancellor may balance his books. That money belongs to the local authorities, and was provided from private funds. I can give some examples of the idiocy of the Government's policy.

A couple of weeks ago, with my hon. Friend the Member for Bootle (Mr. Roberts), I went to Sefton, which is a Conservative local authority which takes its housing responsibilities seriously. In parts of the borough, the local authority is selling houses to Barratt and Wimpey to try to get some help from the private sector, as the Government have urged, to improve some of its housing stock. It is not always the older housing stock that needs improving most—sometimes the newer housing stock needs it more.

When the work is done by one of these firms, that is private expenditure and the Government are in favour of it. When the local authority sells some of its property or sites, the money has come from building firms, banks, insurance companies and institutions and is therefore private. However, the moment that it passes into the hands of the council, it becomes subject to a surcharge of 80 per cent., so that 80 per cent. of it cannot be spent. That is economic lunacy.

I can give another example, this time of a Labour authority that I visited recently, Gateshead. It is an inner-city partnership authority, recognised for its needs in housing and for its area's dereliction and unemployment. It receives no housing subsidy from the Government but it does receive money for environmental improvement. The people of Gateshead cannot understand why the Government are giving them money, through a vote for environmental improvements such as putting up trees and putting in colour paving, projects of which I am in favour, while, because of the restriction of the housing investment programme, they cannot spend money on properties. The council can put down pink paving stones but it cannot put roofs on houses.

The Government have an economic rain dance, but the only economic effect is that the rain is coming through peoples' roofs. Gateshead authority has £30 million tied up in capital receipts. What on earth can be the justification for urging an authority to engage in environmental improvements and then preventing it from spending its money on problems such as those at the Newcastle flats where there is the particularly difficult and expensive job of providing bathrooms and internal WCs?

I can give yet another example, this time the Tory-controlled Rushmoor council. It is one of the councils that opposed the abolition of the GLC because it has such a large stock of ex-GLC homes that are in need of major renovation. I have the minutes of a council meeting. There is now a new classification of the housing investment bid. One can make a bid for what one thinks one needs, and one can make a second bid for what one thinks one can get. One is called the proposed programme and the other is called the constrained programme.

I shall take Rushmoor's proposed programme because it seems a fair estimate of what needs to be spent on the renovation, construction and insulation of dwellings. The programme for 1986-87 would cost £12 million. The minutes say:

"The constrained programme would not allow the Council to carry out its policy of carrying out the Prospect Estate remedial work to 100 units per year for 1986/87".

[Mr. John Fraser]

It says that there is no way that it can discharge its responsibility under the present constrained programme arrangements. However, there is a way that it can do so, because it has £12 million locked up in capital receipts. There is a Tory local authority that, given the chance, would be able to spend money and undertake its responsibilities but is prevented from doing so. Therefore, my comment that the Government are fiddling while the housing stock crumbles is justified.

The Select Committee said that it was not sure of the scale of the problem in the private sector. However, I have a fair idea. I now know that there are 250,000 private owner-occupiers who are mostly poor and with very few capital resources, and who were left in the lurch once the Government ended the pre-election boom in improvement grants. We know their needs. We do not have the English figures, but we know from the Welsh figures that most of the people who pick up repair and improvement grants have little money in the bank and no income. That boom has come to an end. There is little opportunity of those people being able to get improvement grants even under the Government's new means-tested and mean scheme, which has had a pretty widespread thumbs down as to its possible success.

I am sure that every hon. Member has people coming to his advice bureau every week, and some of the circumstances are tragic. Last week, a retired man came to see me. Simply because he is an owner-occupier, he is not entitled to supplementary benefit. He gets only his retirement pension. He has suffered a stroke, and water is pouring through his owner-occupied house. That case is not untypical and there is no way in which we can help that man and many like him, given the present constrained state of the housing investment programme. That is not just bad policy but immoral, particularly in the case of those who were led to believe that they would get grants from Government.

The Government's policy is not merely a fiddle but is incompetent, as the Controller of Audit put it in his speech at the Institute of Housing conference. He put

"a price on the waste and inefficiency resulting from present controls on local government capital spending. The figure is a staggering £50 billion . . . If I were asked to design a system that would produce more waste and inefficiency to control capital expenditure, it is not immediately certain what additional complications I would build in".

The system is not just dishonest, it is inefficient. The Government sometimes say that they do not know how much money there is in capital receipts. I have an answer to a parliamentary question yesterday. I asked the Secretary of State for the Environment what the total of capital receipts from the sale of council houses in the last financial year was, and I was told £1·3 billion.

Last year, local authorities were not allowed to spend that £1·3 billion, which was taken from private sources. They were allowed to spend 40 per cent. of it and £600 million of it was sequestrated — sequestration has become not merely a function of, but an obsession with, the Government. If the same rate of capital receipts continues in 1985-86, local authorities will be denied £1 billion in capital receipts, from the payment of mortgages and the sale of council houses, which they could spend on improvement and repair. That is equivalent to 100,000 jobs for a year being thrown away by local authorities not being able to spend their own money. That figure was arrived at without trying to use the additional figures of the extra jobs that would be created as a result of the multiplier effect.

It is illogical, a breach of faith, and a denial of the use by local authorities of their own funds, to use capital expenditure in this way and at the same time to cut the allocation of money from central Government and the housing investment programme. The Minister gave the House some figures yesterday. I have calculations of the Association of Metropolitan Authorities. In real terms, we are getting about 30 per cent. of the capital expenditure of the local authority housing programme that we were getting in 1979-80. For the first time in over a century, we have a Government who disown their general housing obligations.

I found some election material for battles between Disraeli and Gladstone. At one election in the 1870s both campaigned about sanitary housing. They recognised that they had an obligation to attend to general housing needs. Since then, almost all Governments have recognised that responsibility. They have not always discharged that obligation but they recognised it. Harold Macmillan recognised it; Wheatley and Nye Bevan recognised it. Last year the Government pretended that they recognised that obligation when they said in a Public Expenditure White Paper that they had three policy objectives:

"to increase the level of home ownership; to encourage the repair and improvement of existing stock; and to concentrate public resources within the housing programme on capital provision for those in greatest housing need."

This year the Government's main aim in housing policy is to increase home ownership so that more families can achieve their ambition of owning their own home. Good luck to them, but nothing is being done about other housing responsibilities.

Cuts in improvement grants and in the general funds available for capital spending have been made and the Government say that they intend to carry out a survey of local authority needs. We do not need a survey because plenty of material has already been provided by the Association of Metropolitan Authorities. I have three well documented reports containing the figures. Paragraph 7.10 of the document "Defects in Housing: Part I: 'Non-traditional' dwellings of the 1940s and 1950s" published in July 1983 states:

"We estimate that the average cost of works to non-traditional dwellings, for both repair, or in severe cases demolition and replacement, will be £10,000 per unit. This results in a likely total cost £5,000 million."

A second report was produced in March 1984 called "Industrialised and system built dwellings of the 1960s and 1970s" which said in paragraph 7.15:

"The cost of dealing with the defects problem is obviously difficult to quantify. Nevertheless, judging from the regularity of which certain items appear for different types and systems, it seems that the average unit cost will be around £5,000 . . . the total cost could therefore be up to £5,000 million."

In March 1985 the AMA produced another report. It produces them every year so the Government do not have to digest too much at a time. That report was about the repair and modernisation of traditional-built dwellings. In that, the association says that the total cost for England —not for Great Britain—is £6,000 million.

The figures may seem large but they illustrate how people have to live with damp, water dripping through the roof, far too expensive heating systems and cockroaches breeding. When the Government impose a moratorium on spending they cannot freeze the condition of the housing

stock. A house is not like a crashed car that one can put in the garage until one has enough money to repair it. Houses rot, the cockroaches breed and the condition of the properties becomes worse. They become more damp. Not only the houses but the society which occupies them disintegrates.

The Select Committee says that no one seems to know what is being done. It is nearer the truth to say that everyone knows that almost nothing is being done to the publicly owned housing fabric.

It is not that the Government are ignorant of the problem. Ministers visit housing estates and talk to local authority representatives. As the Minister for Housing and Construction is so fond of saying, the Opposition do not have a monopoly of compassion. We do not say that the Government do not care, but that they have the means to tackle the problem. The greatest indictment of them is that while having the ability to solve the problem they refuse to budge because of their monetary obsession.

6.55 pm

The Parliamentary Under-Secretary of State for the Environment (Sir George Young): I begin by adding to the visible embarrassment felt by my hon. Friend the Member for Hornsey and Wood Green (Sir H. Rossi) by complimenting him on his report and excellent speech. The Government welcome the debate which he initiated because it gives us the opportunity to review in detail my Department's expenditure. As the details of administration become more complex, it becomes harder for hon. Members and Ministers to scrutinise in depth all the figures in the Estimates. It is of enormous value when a Select Committee with its special knowledge and expert advice takes on the task of preliminary scrutiny and examination. As my hon. Friend said, the work is not sensational, but it is important because the sums involved are substantial and are spent in sensitive areas.

I propose to concentrate on the Select Committee's recommendations. I am aware that I might not reply to all the points. The hon. Member for Linlithgow (Mr. Dalyell), for example, fired a metaphorical 12-bore shotgun at my Department from a considerable range and the scatter was broad. I shall have to answer many of his questions by letter. Some of the questions, although aimed at my Department, hit other Departments and it is for them to reply. I shall say a word later about the macro economic issues which he raised in a reflective passage of his speech.

I shall deal briefly with what the hon. Member for Norwood (Mr. Fraser) said in his closing remarks. Last year a record sum of £1 billion was spent on renovating public sector housing stock in addition to the £1 billion from the revenue account which was spent on repair and maintenance. The hon. Gentleman did not mention that. The main difference between the two parties is that the Opposition see a predominantly public sector solution to the acknowledged difficulties, whereas Conservatives are anxious to harness private sector resources. We think that by that means we can make faster progress in tackling the problems.

Ministers and others have to tread carefully on the subject of dogs. I share the Select Committee's anxiety that a solution should be found quickly to the current absurdity of dog licensing. As the Committee and my hon. Friend said, we have consulted widely about the alternatives to the present system. The response has been wide and varied. Some argue that it would be best to abolish the dog licence. Many others are worried about the nuisance caused by dogs and believe that a higher licence fee would encourage more responsible dog ownership and finance measures to deal with the problems caused by the irresponsible.

Some who favour the retention of the licence fee want the fee to be determined nationally—the view expressed by the hon. Member for Burnley (Mr. Pike). Others agree with the view in the consultation paper that there should be some local discretion.

The Government have been considering the response to the consultation paper. We shall announce our conclusions as soon as possible. We shall take on board comments made in today's debate. I know that hon. Members think that we are taking too long to make a decision, but the issue is both complex and emotive. It is easier to criticise the present arrangements than to establish a new system. The Select Committee did not come down in favour of any of the options under consideration.

We are anxious to find a sensible and lasting solution, but I emphasise that any option, apart from the straightforward increase in the fee, needs primary legislation before it can be implemented. We are aware of the Select Committee's anxiety that expenditure which they rightfully describe as wasteful should end.

A question has been tabled to the Home Secretary about details of a pilot scheme testing new byelaws to reduce the nuisance of dog fouling. My right hon. Friend the Home Secretary is considering a pilot project to test the effectiveness of byelaws requiring people to clear up excrement deposited by their dogs in certain public places. Appropriately, the experiment will begin in the London borough of Barking.

I leave dogs for animals in general, the London zoo and the question of grants to voluntary bodies. My Department agrees with the view of the Committee that it is bad practice that payments should be undertaken without specific statutory authority, except when a sudden need arises and in respect of which legislation will shortly be introduced or when the requirement is short-lived.

For the Zoological Society of London, the Government fully accept that statutory cover should be provided for the short and long-term financial assistance which it has recently been agreed, will be offered to the society. An early opportunity will be taken to introduce legislation seeking parliamentary approval to authorise this, but the House will be aware of the pressures on time, particularly those of us who have been up late for two nights on the Finance Bill. Although I hope that some progress will have been possible by the time that the Select Committee considers the Estimates for 1986-87, I can give no guarantee of that.

As for the Department's grant-giving to voluntary bodies, the Committee recognises that the range of departmental responsibilities to which grants relate poses a difficulty in drafting suitable legislation, but we are now confident that most, if not all, of the Department of the Environment grant-giving could be covered by a widely drawn power and, again, a legislative opportunity is awaited.

With regard to payments to international bodies, my Department is discussing with the Treasury what action is needed to give cover to this expenditure and how it might best be obtained. I note the warning of my hon. Friend the Member for Hornsey and Wood Green about what might happen if the position continues to be unresolved.

[Sir George Young]

A number of issues were raised about housing. The hon. Member for Islington, South and Finsbury (Mr. Smith) asked me to give figures for expenditure on the scheme for home ownership for tenants of charitable housing associations. The estimate of the cost in 1984-85, the first year of the operation of the scheme, was £10 million and the outturn was £3·45 million. When we announced the corporation's ADP on 21 January, the Minister for Housing and Construction gave the estimate of the likely cost in 1985-86 as £17 million. The scheme is now going well and we are currently considering whether any more resources can be carried forward from last year's underspend. We have given no figure yet for last year.

The hon. Member for Rother Valley (Mr. Barron) asked when a decision would be made on allocations in respect of the Housing Defects Act. Additional allocations to authorities which have particular difficulties in meeting their obligations will be made shortly under the Act.

I was asked a number of questions about home improvement grants. The Committee attaches considerable importance to ensuring that resources for the improvement and repair of the nation's housing stock should be appropriately distributed between the public and private sectors. We accept that it is important for available resources to be directed where they are most needed. This involves making some decision about distribution between the two sectors.

It is up to local authorities to divide the resources that are available to them and, with their statutory responsibility for housing in their areas and the knowledge of local circumstances, I believe that they are best placed to decide on local needs and priorities. That is why we allocate the capital resources as a single block to each authority, which they can then allocate as they think fit. In allocating resources between authorities, we consider, among other things, the condition of the housing stock in the public and private sectors.

We already have a good deal of information from the English house condition survey, which is scheduled to be repeated in 1986, and I can confirm that information will be available on a comparable basis to the proceeding survey. As the hon. Member for Norwood said, we are in the process of supplementing—by means of a special inquiry into the repair and improvement needs of the housing stock in local authority ownership — our information on this subject. We expect the first results from that inquiry to be available at the end of the month.

We shall then have a more up-to-date view of the national need for improvement and repair in the two sectors. However, while that may inform our decision on the allocation of resources between authorities, the individual authorities will continue to be best placed to decide on distribution at a local level.

In our allocation procedures, we shall take into account the different roles of local authorities in the two sectors. For their housing, authorities have the same responsibility as any landlord to make sure that the property is kept in good repair and that necessary improvements are carried out.

In the private sector, the primary responsibility rests with owners. They clearly recognise that, as the great majority of the more than £9 billion a year spent on home improvements is already financed largely by savings or by borrowing from the financial institutions. An important effect of the 1982 Budget initiative was that householders were made even more aware of the benefits of improving and repairing their homes and securing the value of their property.

The private sector organisations have also realised that there is much that they can do to encourage and assist owners to carry out repair work. For example, the National Home Improvement Council has set up neighbourhood revitalisation services in several areas, and the Anchor Housing Trust's "Staying Put" schemes are especially geared to helping elderly people to maintain and retain their homes. We want to encourage the private sector to help itself in that sort of way.

My hon. Friend the Member for Chipping Barnet (Mr Chapman) reminded the House of the growth in expenditure on home improvement grants — up from £200 million in 1981-82 to £900 million in 1983-84 and about £730 million in 1984-85. More than 250,000 grants were paid in 1983-84 and about 200,000 last year. There has been a shift in priorities, both for local authorities and individual home owners, who are giving greater priority to maintaining the housing stock.

I am glad that the Committee recognises that it is not easy for local authorities concerned to find suitable gipsy sites. As the Committee rightly says, proposals to establish a site arouse considerable opposition from local residents. There has been a gradual increase in site provision since the grant aid was introduced in 1979-80, and a number of studies have been carried out within the Department to consider whether any other steps may be taken to speed site provision.

These have enabled us to produce booklets on the management of gipsy sites and on the question of defining a gipsy. Copies have been made available to the House when published. We are also preparing a leaflet about private sites. However, we shall certainly take another look at the problem on the lines that the Committee recommends

It has been said that authorities have shirked their duty in that respect. There is a remedy in the courts and some local authorities have been taken to court by representatives of gipsies who believe that the Act should be upheld. The duty to provide sites is mandatory, not discretionary. The record shows that we are prepared to take account of unfair trading on conscientious authorities in the discussions that we have with individual authorities about the designation of their areas.

The Committee considered the difficulties people living in rented accommodation have in moving from one part of the country to another. The Government provide assistance to those who need to move, through the national mobilty and tenants exchange schemes. These two schemes are shortly to be brought together, providing opportunities for increased rationalisation and effectiveness.

Under the national mobility scheme, local authorities make available 1 per cent. of their annual lettings for people moving into the area from outside the county, plus one more letting for each of their nominees who is housed elsewhere. The Select Committee commented that the 1 per cent. of lettings available was unduly low and thought that consideration should be given to raising the figure to 2 per cent. or more as a contribution to helping those moving for employment.

I share the Committee's concern about the difficulties that people have in obtaining housing when they move for work. Indeed, last year I asked the national mobility steering committee to consider increasing the 1 per cent. proportion, but the local authority associations opposed the proposal, and it was rejected. The steering committee agreed, however, to reconsider the proposal in a year's time, and I hope that it will take note of the Select Committee's views.

The hon. Member for Newham, North-West (Mr. Banks) asked what our proposals were. I believe that it would make sense for the national mobility office to assume responsibility both for the Greater London mobility scheme and for the seaside and country homes scheme. As he will be aware, a committee is looking into that. When that committee has reported and a decision has been taken, we shall be better placed to take decisions about financial responsibility for the scheme.

My Department is informally exploring further ways of encouraging local authorities to meet the present 1 per cent. target, but any move to make the scheme statutory would be stongly resisted by the local authorities, and I fear that it would disrupt the present smooth running of the scheme, which operates by consensus and co-operation.

Mr. Robert B. Jones: On the subject of mobility, it is all very well for the Minister to point out the difficulties involved in moving to a statutory scheme, but so long as large numbers of authorities, particularly in areas such as Scotland, fail to participate, it cannot help but lack effectiveness. Has he any proposals to apply a little more persuasion on those authorities?

Sir George Young: I know that the Chairman of the Committee this year is devoting considerable time persuading the relatively small numbers of local authorities which have not joined to join. We are talking of a handful in England and relatively few in Scotland. We hope to make progress by persuasion and consent.

A number of comments have been made about the urban programme and about the desirability of targeting the programme. The Government's intention is to concentrate the help provided by the traditional urban programme on the areas with the greatest need. Included will be some areas that are not designated under the Inner Urban Areas Act 1978, but the programme should not be seen as a long shot for grant aid by every undesignated district. I accept that as we concentrate resources more effectively we should avoid abortive work by discouraging from bidding areas that are unlikely to be successful. Part of the problem is that the programme operates through a circular which is sent to all authorities. This becomes a less appropriate way in which to operate as the number of authorities receiving approval falls. It may be that we should offer invitations explicitly to priority areas rather than issuing a circular to every authority. We shall be announcing proposals for consultation with local authorities in the last couple of weeks.

The designation of Newham has been referred to on several occasions. The previous Labour Government did not designate it, so the crime, if there is one, has been committed equally by both the Labour Government and the present Government. Newham has within its boundaries the London Docklands development corporation, which is injecting substantial sums of public money into the infrastructure. That is an advantage that other London boroughs do not have.

Mr. Tony Banks: The Minister knows that only 6 per cent. of Newham's population live in the docklands area. There is a distortion of the local economy that is of no great assistance to the remaining 94 per cent. of the population, which badly needs the resources that partnership status would provide.

Sir George Young: The LDDC is providing jobs, which I hope are of interest to the hon. Gentleman's constituents. It is providing housing as well. About 40 per cent. of the houses that the corporation builds go to those who live in the area. The fact that very few live in the LDDC area at present is irrelevant. Very few people live there because the area comprises mostly docks. The one thing that I can say about the speech of the hon. Member for Newham, North-West is that for once he resisted the temptation to have a dig at the LDDC. I regard the fact that he did not mention it this evening as a cause for hope.

The Select Committee commented on the international garden festival. It rightly observes in its report that the financial outturn did not meet expectations. I accept that conclusion and I can assure the House that we have already begun our own assessment of the project. When our inquiries are complete, we shall report the findings to the Committee. It is important that the lessons are properly documented to provide guidance for similar future projects.

I think that everyone will agree that the festival brought new life and newfound confidence to Merseyside. I am grateful to my hon. Friend the Member for Chipping Barnet for his remarks about the festival. The development corporation is worthy of the highest praise for the way in which it mounted the project. When I visited the festival last summer I found it difficult to believe that such a high quality environment had been created in such a short time from dereliction. I shall report to the Select Committee in due course on the lessons to be learned.

What did we get for the money which was expended on the festival? Liverpool now has an area of landscaped parkland of which it can be truly proud. It has a festival hall that can be converted to leisure and sports use as well as a riverside walkway. There are landscaped sites that are ready for high quality residential and industrial development. A number of jobs were created during the two and a half years of construction. Expenditure by visitors to the festival amounted to about £9 million, which benefited local hotels and guest houses.

Now that the festival has ended, I hope that the corporation will succeed in persuading the private sector to take on and develop the site. Whatever happens, Merseyside will have had the benefit of hosting a unique event and of gaining the many assets and benefits which came from it.

The administration costs of the London Docklands Development Corporation have been referred to during the debate. This issue must be placed in the context of the task that is faced by the corporation. Anyone who has visited the docklands recently, will, I am sure, have been impressed by the progress that has been made, especially on the Isle of Dogs. The area has been transformed. Work on the structures for the railway is everywhere evident.

The first phase of the distinctive Heron Quays office development has been completed. Construction of the *Daily Telegraph's* new printing works is well advanced

[Sir George Young]

and many other formerly derelict sites are now alive with construction work. I congratulate Christopher Benson and his team on the corporation's excellent record.

Mr. Tony Banks: Will the hon. Gentleman give way?

Sir George Young: No. I must make progress in fairness to those who wish to participate in the next debate.

At the same time, I share the Committee's view that we must keep a close watch on the LDDC's administration costs. The corporation, in conjunction with my Department, has started work on a review of its administration costs. The work started before the Committee's report was published.

We must take into account the fact that the LDDC must have regard for about 40,000 local people, whereas very few people live in the Merseyside docklands area. The LDDC has provided a marketing effort and the business support and advice necessary to attract more than £820 million in private investment to the docklands, whereas the MDC is only just beginning to gear up its activity. A substantial part of the corporation's broad definition of administrative costs goes to areas which other bodies examined by the Select Committee do not include as administration. This covers business development and support services, site marketing, community sport and estate management.

The hon. Member for Liverpool, Mossley Hill (Mr. Alton) addressed himself to the Property Services Agency and fraud and corruption. I assured the House last year that Ministers were determined to enforce the highest possible standards, and that remains true. The PSA has given top priority to implementing the Wardell-Touche Ross recommendations and those on other maintenance matters that have been raised by the National Audit Office in reporting to the PAC. The PAC took evidence earlier this year on progress and detailed in the evidence, which has been published, is the action that we have already taken.

As for the maintenance of the Government's estate, I share the Committee's concern about the backlog and the need to ensure that the funds that are available are used as economically and effectively as possible.

I accept both of the recommendations which the Committee has made on increased delegation and standards. We must ensure that common standards are applied throughout the area for which the PSA retains responsibility for maintenance. We have introduced a uniform classification of maintenance priorities and have started a programme of district management reviews, which will consider all the activities of the district works office. These measures will ensure that consistent standards are being applied.

I accept in principle the recommendation that we should increase the amount of delegation to Departments, though the way and extent to which this will be done needs to be considered carefully. In the current review of our relationships with other Departments we are trying to find a clearer definition of roles. The starting point is that the PSA has a clear task to fulfil as central manager of the civil estate. That means retaining responsibility for the structural maintenance of the properties on the estate. These are valuable public assets, and the PSA has the staff with the necessary technical expertise to know what needs to be done and how to specify and control the contracts so as to secure the best value for money.

We recognise that there is a good deal of sense in not merely making local managers and Departments aware of costs, as the property repayments system does, but giving them an appropriate share in the decisions that have to be taken between conflicting priorities. We hope that some of the experiments that have started on internal decoration will show that it is sensible to delegate this task to Departments where they do not affect the structure of the property or require technical expertise. Whether increased delegation will of itself produce better maintenance standards is another matter, because Departments are subject to the same constraints as the PSA. However, it will make for a more logical division of labour.

We shall pursue the issue of purchase of freeholds with the Treasury in the light of what the Committee has said.

The Committee dealt with the property repayments system at some length. As the report states, the system has been operating for two years. It is, however, such a major change in the way that Government accommodation is handled that it is still a comparatively new system and subject to review and development. It has been helpful to have the Committee's ideas during the formative stage of the process. It involves substantial operating costs, but the Government expect these to be more than offset by extra value for money.

The first area to which we should look for results is in the figures for the areas occupied. These have been reducing in recent years as staff numbers have been cut. The PSA has been seeking to rationalise the estate to reduce holdings to a minimum. However, some broad issues are raised about the role of the PSA by the Committee and it is not quite clear whether introducing commercial accounts would be in the interests of the PSA as it has been set up. We accept the Committee's recommendation that this matter should be considered and that the Treasury should be involved, but the Committee should not expect a quick solution to what I fear may be a rather difficult set of problems.

I shall deal by correspondence with the other issues that have been raised. I thank right hon. and hon. Members for their comments on my Department's expenditure.

Mr. Deputy Speaker (Mr. Ernest Armstrong): The Questions necessary to dispose of the first group of motions stand over to half-past eleven or at the conclusion of the debate on the final Estimate, whichever is the earlier, under the Order of the House of 4 July.

Health and Personal Social Services

Class XI, Vote 1

Motion made, and Question proposed,

That a further sum not exceeding £5,168,144,000 be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1986 for expenditure by the Department of Health and Social Security on the provision of services under the national health service in England, on other health services including a grant in aid and on certain other services including research and services for the disabled. — *[Mr. Kenneth Clarke.]*

7.20 pm

Mrs. Renée Short (Wolverhampton, North-East): I am glad to have the opportunity to debate the report of the Social Services Committee on the care of the mentally ill and mentally handicapped, as, I am sure, are other members of the Select Committee. I am disappointed that, although the report was presented four and half months ago, we have not yet had a ministerial response. I hope that that gap will be filled. The Committee was well served by its expert advisers. I should like to thank David Plank, John Wing and Joy Young for all their work, help, advice and enthusiasm. The Committee is most grateful to them.

The Select Committee is now engaged on the social security reviews. We do not yet know about the effects of the reviews on the mentally disabled. Paragraph 147 of the report states that the analysis should show

"the benefit entitlements of mentally handicapped and mentally ill people."

I hope that the Minister for Health will fill that gap.

The Committee paid tribute to the great care given by doctors, nurses and other doing a multiplicity of jobs in the huge hospitals, often in isolated positions, during the last century. We saw huge hospitals in the United States with 20,000 patients. It is possible to move ahead too quickly. It is easy to move patients to cheaper, less well-motivated and less well-staffed places. If community care is to work, there must be locally based facilities which are well staffed by redeploying thousands of skilled, partly skilled and unskilled staff, as well as money. Unless that happens, community care will fail. If it is to work, there must be locally based psychiatric care, workshops and a rejigging of the social security system and taxation to encourage people if they find work. The clear lesson to be learned from our American visit is that we cannot close down one set of facilities, however imperfect, until the alternatives are firmly established.

It is fairly easy to shift patients from a state hospital to a less well-motivated and well-staffed "community facility", whatever it is. Large mental institutions can then be closed, but that does not help the patients. As the committee's report states:

"Any fool can close a hospital but it depends how you do it."

That statement has been widely reported in the press.

The Minister for Health (Mr. Kenneth Clarke): In case the hon. Lady gives a misleading impression, will she give one example of where we have closed a large mental hospital without providing alternative facilities? I think the hon. Lady will agree that there is no such example in this country, although there may be examples in the United States or Italy, to which the Committee travelled.

Mrs. Short: If the Minister has the patience to bear with me, I hope to give some examples later.

Our present provision for mentally ill and mentally handicapped patients is underfunded and understaffed. If we are to transfer patients to the community, local authority expenditure will have to increase. That is the point that we are trying to put forward in this debate. Expenditure on housing, education and transport must increase. Unless we do so, an even greater burden will be imposed on the voluntary services. The only money that many patients will have will be their social security entitlements.

We must understand that many mentally ill and mentally handicapped people are already being cared for in the community in their own homes, or, if not, they are being cared for in group homes, hostels and lodgings. Better facilities will be needed for them. The Committee heard of many parents who were coping with their mentally handicapped children. These parents criticised the present inadequate provision. The careing professions made known their great concern during every visit that the Committee made.

There are, of course, day centres, group homes and sheltered workshops run by immensely dedicated people, but there is also great concern. We must bear in mind that mental illness hospitals scheduled for closure some years ago still have patients in them, some of whom are very old and frail. Some of those hospitals contain 1,000 or more patients. There is a danger that the Government are putting pressure on hospital authorities to close mental illness hospitals within certain time limits. This makes it difficult for psychologists, nurses and community mental health nurses to think about what should be provided for their patients.

The Committee's report states that the community psychiatric nurse is a key part of the new mental illness service. The director of the Health Advisory Service calls the CPN

"probably the most important single professional in the process of moving care of mental illness into the community".

I am glad that there are now more CPNs in primary health care teams. During the Committee's visit to Blackburn and Tiverton we heard of general practitioners' increased confidence in referring patients to CPNs and of the confidence of CPNs able to work relatively independently. That is a very good development.

The Royal College of Psychiatrists favours that, but is anxious that it should be achieved by expanding the service rather than by redeploying those nurses who are already caring for more disabled psychiatric patients in the community. In 1977, the Trethowan report on the role of clinical psychologists recommended the employment of a minimum of 1,100. There are now 1,300, but they are unevenly spread throughout the community. There are half as many proportionately in Trent, Oxford and Wessex as in the north-western region. Those people should be training the therapists, nurses, care officers and assistants. Indeed, they should be training the relatives, giving them help and guidance when careing for their relations in their homes. In some areas the clinical psychologists are doing that, as Committee members saw on some of their vistis. I hope that the Committee will review the Trethowan report and encourage the leadership and potential of clinical psychologists.

The Committee has drawn attention to the fact that general practitioners are not always willing or able to care for mentally disabled patients. The Royal College of General Practitioners agreed that general practitioner

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training was inadequate for the job which the doctors were expected to do in caring for mentally disabled people in the community. I understand that the Royal College of Psychiatrists would be happy to help with general practitioner training. If the Minister for Health is willing to provide encouragement, this link between the two branches of the profession could be developed, and that would be helpful.

The president of the Royal College of Psychiatrists told the Committee:

"during the period since the 1950s, there has been a very radical change in the way in which psychiatrists have come outside the mental hospitals and have become more heavily involved with the community in a variety of ways"—

notably with the concept of treatment and rehabilitation close to the patient's own home.

Not enough time is being given to the psychiatrists to plan acceptable alternatives. Public attitudes in the community must be considered. We are saying that the Minister for Health cannot turn people out of hospital before adequate community services have been provided for them. On discharge too many patients rely on seedy bed-and-breakfast lodgings, doss houses, park benches or even prison. The Select Committee is about to start an investigation into prison medical services, and I suppose that we shall come up against this problem again during that inquiry. Many private homes are springing up. There is no proper inspection, many charge large fees and no follow-up is provided by hospitals or social services. That is a serious gap in the present system of transfer from hospital care into the community.

It is possible to provide good care in ordinary domestic surroundings with sufficient resources and one-to-one staffing as the Committee saw in Nebraska as well as in Cardiff and elsewhere in the United Kingdom. The best form of accommodation is ordinary housing with staff with the necessary expertise providing for small groups of mentally ill people in the community. If the mentally ill are to be housed in the community, there must be a change of heart by their neighbours. We learned how to tackle that problem in Cardiff. It is important to talk to the neighbours about the project before the patients arrive.

Sheltered village-type communities can also provide an excellent environment for certain mentally ill patients. We visited a splendid Rudolf Steiner community overlooking the sea near Belfast where 60 mentally handicapped children and 30 mentally handicapped adults are cared for in a self-supporting community. They performed various interesting activities and ran a productive farm, breeding cattle and growing crops.

How will the Government carry out such a massive and diverse exercise in their present mood of cutting and skimping on the social services? The method of financing a successful programme of community care is crucial. The Minister for Health seemed confident when he told the House that the Government had sufficient financial mechanisms to encourage the discharge of long-stay patients and to establish matching services in the community, but the Select Committee for Social Services, health authorities, local authorities, voluntary organisations, parents and clients do not share the Minister's optimism.

Regional strategic plans for the next 10 years are now appearing. Many of the regional plans for mental illness and mental handicap are sound. They are full of the right sentiments. The real action, however, takes place in the districts. There are many vague proposals for National Health Service community mental handicap units and mental health centres, but there is little evidence that the districts have any clear notion of how the new long-stay chronically mentally ill will be cared for. Some patients will remain in the big old mental institutions which look as though they are to be closed, but which will close only in the sense that the Italians close their hospitals by changing their names.

Those Victorian hospitals will lose many of their staff, but they will retain a core of patients. Mapperley hospital in the Minister's area has 350 beds and is supposed to close by 1991. There will be a large 150-plus bed district psychiatric centre on that site. Middlewood hospital in Sheffield has 775 beds and is to close, but a new 120-bed unit is proposed on the edge of the existing site. The fear is that those patients will be conveniently forgotten. People will think that St. John's, Mapperley, Middlewood and Powick have been closed and attention will be concentrated on the more interesting community services.

The Select Committee recommended that at least the same proportion of resources should continue to be devoted to the most severely mentally disabled in the future. It also discussed the new long-stay provisions—the asylum function—in hostels or refuges rather than in new units built in the grounds of the old hospitals. It is essential that we do not neglect the chronically mentally disturbed.

Paragraphs 161 to 167 of the Select Committee report give the numbers of mentally disabled people in prisons or who are homeless or living in shelters. The Committee recommended a departmental inquiry into the care of homeless mentally ill people. Perhaps the Minister will tell us whether that is to take place. Over the past few months we have been monitoring the Government's policy on resettlement units and we intend to examine Ministers on that in the autumn, but perhaps the Minister will tell us today what consultation has taken place on replacing the local units and how far Camberwell will have been replaced when it closes its doors in September. In the autumn we shall also be examining the prison medical service. The British Medical Association has warned us that prisons could become the "sump" for caring for the mentally disabled.

With regard to mental handicap, it is disturbing to see the extent to which some of the old hospitals are being retained to an undesirable extent and that new institutions are being created. Barnsley is building a new mini-mental handicap hospital. Oxfordshire and Berkshire authorities are planning to build more than 12 large new units, generally of 25 beds, but including a 50-bed unit in Reading. The Government are not closing the large hospitals. The Select Committee went into this question in detail in paragraphs 55 to 58 of the report and concluded that new units on this scale were to be deprecated. Ministers must use the accountability review process to discover why authorities are still building so-called "Wessex units", which were a great advance in their day, when Wessex is moving rapidly towards the use of ordinary houses for six or seven people at a time.

Some plans show proposals for the transfer of patients from one institution to another. This is sometimes called relocation. In America it is called "transinstitutionalisation"—a marvellous word for Scrabble players, but a

barely acceptable practice, as paragraphs 153 to 156 of the report observe. We warned that traffic of dependent people between institutions was in danger of developing. We believe that to be undesirable. We saw examples of this when we visited Powick outside Worcester. As it is European Music Year, I remind hon. Members that Powick was the hospital where Elgar had his first job as a music master. Powick was supposed to have closed, but we have been to see it and have seen the patients there. There are approximately 100 patients left at Powick. They will be dumped elsewhere to enable the authority to make millions of pounds from the sale of that beautiful site overlooking the Malvern hills for private development or whatever.

Trent is planning to move 100 Saxondale patients to the site of Ransom mental handicap hospital. Northampton is planning to move 100 St. Crispin's patients to Princess Marina mental handicap hospital and 45 patients from St. John's Aylesbury to Manor House mental handicap hospital. It would be possible on this basis to close all long-stay hospitals, but they are not really being closed —the patients are simply being juggled around.

The nub of the problem is resources. The Select Committee's first and broadest conclusion is that at present mental disability services are underfinanced and understaffed. It is impossible to achieve the level of community care that everyone wants without some increase in resources. The Select Committee is not just asking for more money. If there were no community care policies, we could not continue for much longer with the kind of hospital service that we have. The Victorian asylum type of hospital is now inadequate. The Select Committee saw some very grim conditions, as I have described to the House. The press is understandably more interested in exposing the shortcomings of community care —the lodging house problem. We should not forget the alternative. The Select Committee report states in paragraph 21:

"The relative neglect in mental illness and mental handicap hospitals has only been tolerable (if barely so) because of the promise of a major shift in the locus of care."

The particular problem to which I want to draw attention in the context of an Estimates debate is the difficulty of transferring resources from one area of public expenditure to another, from one ministerial Department to another. We spend over £2 billion on health and personal social services, a further considerable sum on social security payments for mentally disabled people, and there is further expenditure by education and housing departments. Money does not flow as easily between those structures as it does between patients.

The Committee expects to see an eventual reduction in NHS expenditure and an increase in local authority expenditure, as we describe in paragraph 22, flowing primarily from our recommendation that while the National Health Service should not be constrained in the short term from providing community residential services for mentally handicapped people, in the long term all social care—that is, non-clinical care—mental handicap services should be financed and administered by local authorities. That is already happening in some districts, but not in all. It is a question of the transfer of resources.

The Committee looked at the Government's care in the community initiatives, and they are very welcome. We look forward to their evaluation by the personal social services research unit in Kent, so long as that unit concentrates on what happens to patients and not just on the book-keeping exercise, because it is what happens to patients that is important. The Committee concluded that they did not at present offer a persuasive solution to the permanent transfer of resources. The very fact that the DHSS is funding them with bridging money means that they cannot easily be repeated. What is more, because they quite properly concentrate on getting specific people out of hospital, there is no certainty as to who will fund the services once those people no longer need them. Also, the services concentrate on getting people out of hospital rather than on the maintenance of the majority of mentally disabled people who are already in the community anyway. We must not overlook that.

The Committee made several recommendations in that connection and in paragraph 68 we recommend

"that Ministers create means of bringing about the necessary permanent transfer of resources to local authorities so that by the end of the century they will be in a position to take over prime responsibility for non-medical services for mentally handicapped people."

That is a clear recommendation.

We also make several recommendations which are designed to improve joint planning between health and local authorities and to toughen up regional and departmental oversight. We think that the recently published strategic plans are rather thin on the nitty-gritty of joint planning. Perhaps the Minister will say what he intends to do about that.

We call for a central bridging fund to enable resources to be released to build up a new style of mental illness and mental handicap service before the hospitals are fully closed, with the resultant savings. In paragraphs 111 to 116 we explain why we think that is necessary, as do most experts. Much of the per capita cost of a patient is tied up in fixed costs and ancillary staff, so that the discharge of a few patients does not itself produce any savings, because the staff who are already there have to remain to look after the patients who are left behind.

Mrs. Major of the National Schizophrenia Fellowship, who gave us some very good evidence, put the matter well when she said:

"Patients should not be removed until the alternative facilities actually exist in the community. It seems to me that it is like asking a passenger to jump off an elderly ship into the stormy sea with the assurance that the lifeboat will be along in a few months' time."

By then, of course, there will not be any patients to pick up.

Some regions have apparently managed to close long-stay hospitals, or at least to run them down. We say in paragraph 115:

"the fact of discharge, of bed reduction does not reveal anything of the quality of community services provided. Some authorities have followed a path of either racing ahead and damning the consequences or of simply dismantling their existing services and rebuilding them in local wards still under NHS control."

Somewhere new buildings are to be put up to do precisely that.

Some regions do not have anything like sufficient funds for such reserves. We gave as an example south-west Thames and the huge Epsom cluster. The same is likely to be true of north-west Thames and the Hertfordshire hospitals. The Committee has just received a very useful and full response from west Lambeth health authority. That is a district authority which is a RAWP-losing district within a RAWP-losing region. Its budget is being severely cut over 10 years. It is obliged to race ahead with the

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closure of Tooting Bec. We refer to that in paragraph 218 of our report. The local authority is rate-capped, penalised and generally restricted.

The Committee visited Friern hospital in the Prime Minster's constituency. It serves districts which are also RAWP losers, and boroughs in north-east London which have no funds to spare. No doubt some authorities can manage more easily. The Committee concluded, in paragraph 116:

"There are excuses as well as reasons for the lack of action."

But for many some sort of centrally provided short-term funding is essential to bridge the gap. The Minister and the Government have to find some ways of getting over that problem.

Between 1979 and 1984 a financial gain of over £101 million has been made by the sale of hospital land. Much of that may well have been land attached to mental illness or mental handicap hospitals. What does the Minister intend to do with that money? What has happened to it so far? I know that the figure is correct, because the Minister gave it to me in reply to a parliamentary question.

I see from today's evening press that we have won over the Chancellor of the Exchequer to the view expressed from the Opposition Benches that defence expenditure should be reduced, and a figure of £500 million is being suggested. Perhaps the Minister will get his eye on some of that money.

The message from the Select Committee is that resources must be found if the Government's declared policy is to succeed. It cannot be done otherwise. I hope that the Minister will bear in mind the good advice that we give him.

7.47 pm

Mr. Michael Meadowcroft (Leeds, West): May I add my thanks and tribute to the Select Committee's advisers and say what a pleasure it was to serve as a member of the Committee, under the urbane leadership of the hon. Member for Wolverhampton, North-East (Mrs. Short). As I have experience of only one Select Committee, I have nothing with which to compare it, but if the experience of members of the Social Services Committee is anything to go by, I suspect that the Select Committee is a useful and helpful part of our procedures and our democracy in this Parliament.

The report of the Select Committee is unanimous. There was an intense effort to ensure that what we reported was supported by all members of the Committee. The membership of the Committee covers a wide spectrum not only of politics but of personalities. It ranges from the quiet, genteel members to the not so quiet and genteel. [HON. MEMBERS: "Which are you?"] I think that I join hands with the hon. Member for Macclesfield (Mr. Winterton).

It would be discourteous to other hon. Members to concentrate on more than a few aspects of the subject in the time that is available, so I want to emphasise one or two of the points that appear to me to be significant in the various visits that we made and evidence that we took.

Throughout our work, I was interested to find that what one area told us was impossible was being done in other areas. On many occasions we were told that it was impossible to move certain patients out of an institution, but the next day one found that it was being done at some other place. There is a terrible danger that not only the patients in institutions but the staff become used to what they have and, without malevolence, cannot see beyond that. Those who are charged with the political responsibility for policy-making in the Health Service and the social services, as well as in the House, must grapple with the problem of what level of paternalism should be allowed.

The type of paternalism that seems to be beneficial is when experts say that they know what is best for their elderly mentally handicapped patients, and that is to show them what it is like outside the institution. Unless that is done, patients will be unable to decide what they want: they will always decide that they want what they already have. That sort of paternalism can be valuable. The worrying side of paternalism is when patients are guarded because, it is said, it is too frightening for them to leave the institution. Again, that is done not out of malevolence but from a desire to care for those who are fragile and vulnerable.

In our inquiries, the matter of philosophy of risk was very striking. I have come to realise more and more that the risk that we allow, not only to the patients, but to those whom they might harm, is a political decision. Too often, we shelter behind the experts charged with the care of those people. If something goes wrong, we turn our back and ask, "Why did the social services allow this to happen? Why did the health authority not do more?" We must realise that if we are to encourage the flow into the community of those who have disorders, are vulnerable mentally, or perhaps have behavioural problems which may influence others, there is a risk attached.

We must grapple with the problem of risk. I was impressed by the director of a mental health institute in America, who said that he could sedate the patients for 12 months of the year and remove all risk. However, he also said that we would lose the benefit to the community of many of the patients, who are splendid members of society for nine months of the year and have much to contribute, but who are disturbed for perhaps three months. He said that it was our choice and that we could decide.

At the lowest level it applies if we wish people to live in as normal conditions as possible. As the hon. Member for Wolverhampton, North-East (Mrs. Short) said earlier, the best option is an ordinary house in an ordinary street. But fire officers insist that if there is a group of people living communally, the fire regulations require that extras such as fire doors and fire escapes must be added to the house. The property ceases to be an ordinary house in an ordinary street. That is a vivid aspect of the problems of normality and risk. We must be shrewd and decide whether to put up with the risk and not shelter behind authorities when something goes wrong, because somewhere at some time something is sure to go wrong.

Although some would say that we were brave or perhaps foolhardy, we touched on the delicate matter of sexuality. We tend to shy away from the problem of the rights of those who cannot guard their emotions and vulnerability in the same way as others. We asked those with legal minds to consider carefully the responsibility of those who care for such people and to consider the rights regarding contraception and other matters relating to sexuality.

There is a danger in thinking that if only we get all the practical steps right, people will enter the community without problems. The longer I remain in politics, the

more I become convinced that we cannot change people's hearts and minds simply by changing policies. The context in which we develop policies is just as important as the pragmatic decisions. Although we should discuss the practical points to which the hon. Lady drew attention and which the report details at great length and, I hope, powerfully, it is just as important for us to argue with our constituents and our communities about the need to accept people whose behaviour may seem to be abnormal and who may appear to pose an extra burden on the community. Their behaviour should be regarded within the very broad spectrum of behaviour and personality. Without that understanding or acceptance, policies are empty and might, in some respects, be provocative.

It is important to recognise that the stress may be greatest in our urban communities, where many such people are sent to live because of the tremendous care that can be offered by urban organisations. Those who are struggling to survive on old estates or with unemployment — or whatever social conditions impact greatly upon them—may believe, alas, that they could do without the extra burden of having people in the community to whom they must give more attention. It behoves us all to recognise that the context of the community is desperately important if the good policies outlined in the report are to succeed.

Although the hon. Lady rightly drew attention to the need for more resources, I would not wish the House to believe that that is the only solution. We do not always consider the links between the voluntary sector and the different aspects of the Health Service, social services and the social security system. The total resources that can be provided by all those organisations may mean much less to an individual than institutional care. We cannot say that one solution — perhaps that of social security income support—is better than drawing the services together. It would be unwise to believe that the report asks only for vastly increased resources. We need a host of other services, too.

I should emphasise to the Minister that the bridging facilities between institutional care and the community are expensive. We cannot make large savings by closing an institution and disposing of the buildings and land until it is entirely closed. There is a serious problem in providing a bridge between what we have now and what we want. I hope that the Minister will take on board the crucial point that each area may need funds to provide such bridging facilities.

An adviser to the Committee drew to its attention an interesting paradox in the financial resources committed to this area of care. Although we are anxious to close some institutions, because the concept of the asylum is now completely anachronistic, paradoxically, the people of 100 years ago committed more resources to those buildings, in real terms, than we are committing today. They were splendidly built; they would not have survived for so long if they were not. Many of them are situated in vast acres of beautiful land. We saw an institution in Surrey that was advanced for its time. It had separate buildings with wonderful facilities among them, and the resources committed to it were probably more in real terms than the resources about which we are talking today.

If we consider the cost of keeping an individual in an institution or caring for him in the community, the difference may not be as significant as we might have thought. Roughly, it costs about £11,000 per person a year in an institution, and £13,000 to £14,000 a year outside. Community care is dearer, but not much more so.

We should commend the organisations that have not waited for the Government's response to the report or for this debate, but have used the report as a lever in their areas to do something about the problem. They have used the report's recommendations to set up a dialogue with the health authorities. I was interested to hear that, on Merseyside, MIND has already entered into a contract with the health authority, under which, for each individual that MIND takes into its care from an institution, the health authority will pay £14,000 for his or her place. So far as I am aware, the scheme relates to places rather than to people. As the Minister is aware, there is a problem with the money ending with the death of the patient, because the organisation has a continuing expense, so I commend that type of deal. We should be seeking to ensure that organisations can undertake different forms of individual care, innovation and experimentation.

Mr. Nicholas Winterton (Macclesfield): May I refer the hon. Gentleman to my area health authority, which is closing the Mary Dendy hospital for the mentally disabled? It has first-class facilities such as a hydrotherapy pool. The care which will be available once the hospital is closed will not include such facilities nor those available in the Parkside hospital which is due to close during the next 10 years. Those two hospitals have sheltered workshops and many other excellent features which will not be replaced when they are closed. Will the patients have as good a standard of living and accommodation when they are discharged into the community as they had in the hospitals? Is that factor not important? Is it not vital that additional resources are made available to ensure that the facilities now provided in hospitals are provided when those patients go into the community?

Mr. Meadowcroft: I am grateful for the hon. Gentleman's comments. I recognise his interest and his anxiety about the difference between facilities available in institutions and in the community.

The problem is whether we should consider the quality of life as opposed to freedom, which cannot necessarily be measured by objects. That is a difficulty. In some ways it is not dissimilar from the way in which some people consider facilities for prisoners when they ask why they have four-star hotel accommodation while we suffer outside. None of those people would wish to be locked up behind doors. In a sense, people prefer the poverty of freedom to the wealth of slavery. People may prefer the quality of life in the community to the facilities provided for them in institutions. I accept what the hon. Gentleman said. We must find a balance. We have the task, which at times is not easy, of finding the right solution.

It was a pleasure to serve on the Select Committee. I hope that the Minister will take note of the fact that the report was unanimous. I am glad to see that it has been hailed as valuable by nearly all the specialist organisations. I hope that we shall see the proper, caring and sensitive dispatch of people with proper support out of the institutions into the community.

8.2 pm

Mr. Steve Norris (Oxford, East): Although I was a late joiner to the Select Committee, I should like to join in

[Mr. Steve Norris]

congratulating the Committee's advisers, who, I think both sides of the Committee felt, provided an excellent service.

I take as my starting point the definitive statement by the Select Committee in paragraph 29:

"Community care for mentally ill and mentally handicapped people is not a subject for partisan politics."

I believe that you will have observed, Mr. Deputy Speaker, that that is the spirit in which the debate has taken place so far, and I hope that it will so continue.

I congratulate the Government on having, first, endorsed and supported the concept of community care and on having devoted substantially increased funds to that principle. Since 1978, 51 per cent. more funds in real terms have been made available for the joint finance which is vital to the transfer of facilities from the hospital service to the community. The fact that year-on-year increases in schemes to which the health authority is also contributing are disregarded in terms of grant holdback is of additional benefit to hard-pressed local authorities. Those are useful steps towards financing community care.

Local authorities' personal social services expenditure has increased, not just in cash terms, but in real terms. In contrast to what is often held to be the case outside the House, the reality is a 15 per cent. increase in real terms on home helps, 9 per cent. in real terms on meals served in the home, more than 25 per cent. extra day centre places, not for the elderly, but for those who fall within the category of people with whom we are dealing, and a 26 per cent. increase in the provision for adult training centres. Those are achievements of which the Government should be proud.

The increases in expenditure are mirrored by service improvements. In 1983, 10 per cent. more people were visited at home by district nurses and health visitors, and nearly 25 per cent. more elderly people were treated by district nurses than when the Government came into office. What is more important, there are 51,000 places in day centres for the category of patient with whom we are dealing this evening. That is an increase of 18 per cent. since the Government took office. There are more places for mentally handicapped people at adult training centres.

The Government have provided special intiatives for community care. They have made £16 million available for a programme of special projects to provide alternatives to long-stay hospital care. The "Helping the Community to Care" initiative has been provided with £10·5 million. This is designed to help people care for elderly or handicapped people within the community. Local services for mentally ill elderly people have been given £6 million extra.

Support for the voluntary sector has increased from £7·5 million in 1978 to well in excess of £23 million. We must frame our observations to the Government in the light of an acceptance that they have devoted real extra resources to community care.

Having said that, we must acknowledge that the standard which the Government have set themselves is high. When the Select Committee sought a definition of community care which would describe what was meant by the concept, which is often quoted differently, it said:

"Appropriate care should be provided for individuals in such a way as to enable them to lead as normal an existence as possible given their particular disabilities and to minimise disruption of life within their community."

That is no easy task. It is no cheap task.

Having acknowledged what the Government have already done and are continuing to do, I believe that we should all be aware of the warning that the Select Committee sounded in paragraph 21, when it said:

"A decent community-based service for mentally ill or mentally-handicapped people cannot be provided at the same overall cost as present services. The proposition that community care could be cost-neutral is untenable."

The Committee continued, I believe correctly, more strongly when it said:

"Proceeding with a policy of community care on a cost-neutral assumption is not simply naive: it is positively inhumane. Community care on the cheap would prove worse in many respects than the pattern of services to date. The Minister of Health admitted—'If you have some hospital facility in the past which has been greatly underfunded, if you transfer the function to community care, the cost will go up.'"

Surely that is the background against which we must consider what community care means for the Health Service and social services.

We must beware of a number of pitfalls which potentially lie before us. I speak as a member of a health authority and as one interested in advancing the concept of community care. Other hon. Members will no doubt deal with other aspects of the report. I suggest to my right hon. and learned Friend that we should, for example, be careful to ensure that in the process of returning to the community those who are clearly able to return, we do not leave the worst disabled as a rump of patients in hospital, thus in a sense dedicating our asylum facilities, not by design, but by accident and by a process of attrition. That would be unfortunate and unhelpful. We should also beware that we do not become obsessed with those who are in hospital whom we are trying to get out.

One of the most significant observations made by the Select Committee was that we tend to think of the subject in terms of closing long-stay hospitals and putting people into the community. The speeches that we have heard so far have taken that course and talked about the closure of large institutions. The Committee noted an observation, which struck me at the time as singularly appropriate and important to remember—that 90 per cent. of the care is being provided in hospitals while 90 per cent. of the patients are living in the community.

We will have misunderstood the concept if we think that community care means only closing down the big long-stay institution to transfer people into the community. Community care is about the care of those who are already out of hospital and those who have never had the opportunity to be catered for even within the National Health Service.

We should be equally concerned to respect the concept of asylum. I was worried when the hon. Member for Wolverhampton, North-East (Mrs. Short) suggested that it was wrong for a health authority to say that it would close a long-stay institution but leave a facility on site for a reduced number of people. It would be wrong to leave a rump of patients who are difficult and for whom it is not convenient to make arrangements, but we have to come to terms with the concept of asylum for a limited number of people.

In west Berkshire we make a point of holding our health authority meetings in our long-stay mentally handicapped hospital because we are conscious of the fact that it is a Cinderella service. It is important that we go there. It is a good discipline because, once a month, we are able to walk around and see what is happening. I know the

christian names of patients who could have walked out of that hospital 20 years ago to start the process of becoming members of society with occasional outpatient visits. As it is, they are incapable of ever making that transition. There are patients in that hospital, Borocourt hospital, who under no circumstances could be returned to the community.

Mrs. Renée Short: I said that.

Mr. Norris: I am grateful to the hon. Lady for clarifying her earlier remarks. We must not assume that community care means that nobody is allowed the protection of genuine asylum in the literal sense of that word, which the National Health Service ought to be able to afford.

Mr. Nicholas Winterton: As my hon. Friend serves on a health authority, can he give us an assurance, from his own experience or from his experience of other authorities, that such provision is being made for the future and that there will be long-stay care and asylum care for a limited number of mentally ill patients?

Mr. Norris: My hon. Friend must direct his comments in another direction. I cannot give him any guarantees about what my right hon. and learned Friend may offer us at the conclusion of this debate. My authority recognises that the concept of asylum is vital, but we do not allow that to become a convenience for not making every effort to return the obvious patients, and perhaps the less obvious, to the community. I suspect that that is where the decision is important and where the veil needs to be parted. I am speaking about only a small number of people. I am convinced that, for the vast majority, the general thrust of the community care philosophy is right.

Mr. Meadowcroft: I accept what the hon. Gentleman says, but does he agree that there is a danger that the more we talk about the people who are unable to be returned to the community the more we exaggerate their number? When the Select Committee went to see a project called Nimrod in Cardiff, we were told that people are selected for community care from a list and not according to their condition. We saw people who had been in an institution for 28 years and who are now living in the community. Nobody was prepared to admit that there was anybody in the institution who was not capable of being returned to the community. Intellectually, however, I accept the hon. Gentleman's contention that there must be some people who cannot be returned to the community.

Mr. Norris: I am grateful for the hon. Gentleman's observations. He is right constantly to re-examine the criteria used for retaining patients in an institution. It is possible to treat any patient, in any circumstances, in a private house if that is the aim. That cannot be the aim, however. It is vital that we get away from the idea that the private house is some kind of end in itself. We can use the private house for the vast majority of mental illness and mental handicap patients in the normalisation process, but the asylum concept remains valid for a small number of patients.

We have got past the easy side of community care. When it is obvious that patients can be returned to the community, most health authorities have developed plans to do that. We are now discussing the more difficult cases, and there are two things of which we must be extremely careful. The first is that we must not close facilities before we open others. My right hon. and learned Friend the Minister has rightly reminded the House that that has not happened. I am worried that as large institutions begin to have fewer people the pressures on health authorities to speed up the process to get the last few dozen patients out will increase. We must protect those patients against the economic advantages of closing a facility too early.

When my right hon. and learned Friend gave evidence to the Select Committee, he spoke of the bridging arrangements in regard to the closure of our large institutions. My idea of bridging arrangements is not confined to capital bridging—the purchase of a house or several houses before selling the land and buildings of an institution. That is the conventional concept of a bridge, and I am most grateful for the fact that my right hon. and learned Friend recognises the need for such a facility.

More important for community care, however, is the following process. If a facility houses 400 patients and costs £400,000 a year to run, that represents £1,000 per patient. If one takes away 200 patients, that makes it £2,000 per year for each patient. If one is left with 20 patients, the deduction is obvious. It is also clear that my mathematics are at fault, but one adds many more noughts to the cost as the number of patients declines. The lesson is that as the number of patients retained in an institution drops, almost the same amount of money has to be spent as when a greater number of patients were housed in there. A major increase in resources is needed to tide us over a transitional period which will not last for one year, or two years, or even for 10.

Hospital care for the mentally handicapped and those who are mentally ill has not always been as good as it ought to be. If community care is to succeed, it must be done well. It is better not to do it at all than to do it badly. To do it well means that long-term extra expense will be involved. Extra costs will be incurred, not because it is more expensive to maintain a series of private houses than it is to maintain one large institution, but because we are saying that we will not allow Cinderella services to exist. Staffing ratios will have to be improved. A massive increase in resources will need to be allocated to day centres, adult training centres and occupational therapy departments.

Paragraph 28 of the Select Committee's report praises the staff of hospitals for the mentally ill and the mentally handicapped. It says:

> "There are not words powerful enough to praise the dedication of thousands of people who care for their mentally disabled fellows."

I have the privilege of seeing them just once a month. I am also privileged to be able to walk in and then walk out again. They are unable to do that. They have to stay in the Borocourt, Fairmile and Wayland hospitals in my constituency and in similar hospitals in the constituencies of right hon. and hon. Members.

In this unglamorous specialty, on very many occasions doctors work many more hours than their contracts stipulate. The nurses, both male and female, provide constant care, despite the almost intolerable frustration of lack of progress in their patients. Progress is usually made centimetre by centimetre. In many cases they work in less than ideal conditions. The Select Committee salutes them. They are an example to us all. They are entitled to know that this House cares about them and about the patients in their care. This debate is to be welcomed for this group of

[Mr. Norris]

people, if for no other. I look forward to hearing what right hon. and hon. Friends have to say on this important subject.

8.23 pm

Mr. Ken Weetch (Ipswich): The Select Committee has provided a valuable service to the House, for its report contains a great deal of constructive thought and comment upon some difficult policy issues and it throws light on mainly difficult and sensitive areas. Since I am the first hon. Member who is not a member of the Select Committee to speak, I should put it on record that the Committee has provided a valuable source of reference on this subject.

My remarks will concentrate upon mental illness and the psychiatric services in which I have a special interest. In the East Suffolk district health authority there are two large, old-style mental hospitals: St. Clement's and St. Audrey's. How to deal with these matters often comes full circle. In the 1870s, the person in charge of St. Audrey's hospital wrote down his thoughts on mental illness and the way in which the service should be organised. In a thoughtful memorandum, which officially has not seen the light of day, he said that he believed that psychiatric services and services for the mentally ill should be dispersed in the community and that professional services should be dispersed in local areas, because this would be of far more benefit to those whom the services are designed to help. That only goes to show there are no new ideas and that old ideas are revamped.

I have to declare an interest as a sponsored member of the Confederation of Health Service Employees. Many of its members are in the front line of the provision of those services. It recruits heavily from ancillaries and nurses in the psychiatric sector. My comments are the result of what I have seen and heard. I recommend to the House a recent working party report by COHSE: the Mallinson report on the future of psychiatric services. It is a very important piece of research into the subject.

The term "community care" is not defined. A number of reports on community care have been published but none of them defines community care in detail. The professional recommendations about the best way forward vary greatly. There are major differences of professional opinion about the best way forward and about the ultimate shape of psychiatric care. However, a rough and ready definition involves the phasing out of the large, long-stay, old-style mental health hospitals. They have come in for a great deal of flak, but the work that is being done in two large hospitals in east Suffolk is of a very high order. It is often done in daunting circumstances.

On the other side of the coin, community care means that most people who need appropriate long-term care can and should be looked after in the community. I am advised that other features of community care will include multi-disciplinary community support, the relocation of specialist services in local settings, and the co-operation of the local authorities and personal social services. Of course, the whole structure will be underpinned by a framework of joint financial arrangements. However, I want to express some reservations about the concept of community care.

On the one hand a good deal must be said for such policies because the aim of all psychiatric therapy is to equip the individual to cope in the community. The ability to cope in the framework of everyday life is the measure of whether the person is improving and whether his mental condition is improving. That is an important principle, which I wholeheartedly accept. The other assumption is that the needs of the individual are best catered for in the community, within an integrated network of different professional services. Another advantage is that the support of families and voluntary support groups can be harnessed, and I think that that is a very valuable princple.

I think that most hon. Members will accept that far too many people have spent far too long in institutions of one sort or another. If one cannot cope very well and one goes into an institution, that institution and its framework become a crutch as time goes by, and people who have been institutionalised for a long time find the transition back to community life difficult.

While I have every sympathy with the aims of community care policies, and while I accept the proposition that, as a society, we must mobilise community resources in a structured way to help those who are mentally ill, I have reservations on the way in which they are being put into operation. In the first place, community care is not a cheap, but an expensive option. To provide a framework of support services is potentially expensive. There were certain economies of scale—if I can put it in economic terms—in having people under one roof in the old-style mental hospitals. That cost option is no longer available as the old hospitals are closed. To echo the words of the hon. Member for Oxford, East (Mr. Norris), who served on the Select Committee, there is no possibility that the Government will be able to get away with that policy at a reduced cost. In my view that is not possible. Such a view has long been on the record. For instance, the Nodder report of 1980 said that the advantages of community care were doubtful if no extra resources in real terms were to be provided. That has long been realised by people in the profession.

An important point is that when people are released into the community they then become the partial responsibility of the families concerned and there is sometimes an intolerable strain on family life if the support services are not properly organised. I have encountered cases in my constituency where families are having a job to cope. I notice from paragraph 45 of the Select Committee report that a general practitioner said:

> "I have never been asked for my opinion in 27 years of practice as to whether somebody's family could cope with them if they were discharged, let alone invited to a case conference."

That is a serious point to make. There is no point in discharging people into the community if the burden on the individual families is intolerable.

If the responsibilities for those services are divided between local authorities and the NHS, there is a very great danger of a confusion of responsibility and no clear line of authority as to the development of those services. I accept what the Minister of Health said when he challenged my hon. Friend the Member for Wolverhampton, North-East (Mrs. Short) to quote an example of a hospital having been closed too quickly before the existing services could take over and cope. Nevertheless that danger should be borne in mind. If there is any rush to close those large hospitals before the framework has been adequately prepared in the community, significant problems will be thrown up.

In my view, if we are looking at the future shape of the framework, psychiatric services and services for mental illness should continue to be an NHS responsibility. In 1979 the Royal Commission on the Health Service said:

"The capacity of local authorities to develop services and in particular residential accommodation for those who are considerably mentally disturbed may have been overestimated."

In the polite diplomatic language of a Royal Commission, that meant that it is casting serious doubt upon the capacity of some local authorities to take the strain of that problem when the difficulties start to accumulate. I believe that the Royal Commission was right. Leaving the responsibility with the NHS is the only way to prevent considerable variations in the quality of community services up and down the country. That is a well-established point. When services are left to local authorities, they vary considerably in quality from place to place. We should not take such a risk with mental illness and psychiatric health. Therefore, I should be most doubtful that in some cases that was the right way forward.

I did not stand up to speak in the debate prepared to argue about finance. I am simply not an expert on that, so I could not sustain the argument. Even on a prime facie observation, local authorities themselves have been the object of quite complex financial constraints. I am not debating the merits of that one way or the other, but the point must be made that fundamental objections can be made to a system of finance for psychiatric services that depends on a redistribution of funding between the NHS and personal social services. I do not see that as a coherent financial way forward.

Funding community care can be too easily disguised so that one is not increasing real resources but merely shifting current resources through complicated book-keeping and the mechanism of joint funding. If we are not careful, community care can turn into community neglect where people get lost.

Already there is great concern among those who have spent a lifetime with mentally ill patients—people who are mentally ill to one degree or another—that there might be dire consequences if mistakes are made in the policy. At time of rate-capping, financial targets, and financial penalties, together with the progressive reductions in the rate support grant, is not a good time to be talking of increased local responsibility for the critical service for the mentally ill.

The burdens of mental illness will increase as elderly people form a bigger proportion of the community, and the psychogeriatric services will come under much strain. A few years ago the audit inspectorate reported that there were wide variations between one local authority and another, and their abilities to cope with the problems that I have described are in many cases limited. Local authorities are too proud to abdicate their responsibilities to private institutions which are often of a doubtful quality.

The needs of patients and those who suffer from mental illness should be paramount and should not be subject to considerations of lowering costs and closing old hostels as quickly as possible. The services should be firmly and emphatically under the control of the National Health Service because only that kind of control can ensure equality of provision and, I hope, a high standard of provision between one area and another. These services should not be left to local authority backwoodsmen. There should be a fully integrated service within the context of the National Health Service. One hopes that in the long run the psychiatric service can lose the stigma and, indeed, the reality of having been for too long a Cinderella service.

Health and Personal Social Services

8.42 pm

Mr. John Hannam (Exeter): I welcome this important debate on a subject with which I have been associated for some 10 years. I congratulate the hon. Lady the Member for Wolverhampton, North-East (Mrs. Short) and her Committee on their work in producing such an excellent report.

I recall an occasion in the early 1970s when the present Secretary of State for Education and Science, who was then Secretary of State for Social Services came down to my constituency to open the Tree Tops centre for mentally handicapped children. It is a wonderful centre which has developed over the years. What sticks in my memory is that, when he entered the hall with all the dignatories and people gathered there, the music being played was Gilbert and Sullivan. As he came in, the song from the Mikardo which started up was "Behold the Lord High Executioner". I have reminded him of that on several occasions since. My right hon. Friend was responsible then for the launching of a major Government initiative for the mentally handicapped, and much of the progress made since then is due to his initiative at that time.

I should like to pay tribute to the record of my local health authority, Exeter health authority, because it is probably one of the leaders in the country in the progress being made in moving patients out of the old institutions and into new staffed hostels and local support units. The latest progress report which the authority has just sent me reads:

> "All programmes are on target and entering a most interesting phase as the new community services open, offering a greater variety of help and support than was ever possible by the central hospitals."

I am very proud of the authority's record and I keep in close contact with it. It is one of the authorities we can look to, and I am sure that the Select Committee found that when its members went there. I do not want to dwell on the overall situation and go back over points which have been raised by other hon. Members. However, I stress that there is a good working relationship between the health authority in Exeter and the local social services department. That seems to be why the financial resources and the staff can be switched across the resource fields. That has happened there, and it ought to be possible to achieve the same benefits and progress elsewhere.

I should like to raise three separate issues which concern us in the all-party disablement group and which require urgent answers and action from the Government. The first concerns children in long-stay hospitals and institutions; the second relates to emergency alarm systems, which are important to those who come out of institutions and require help in their own homes; and the third is my concern about board and lodging payments. Only a small number of children are in long-stay mental hospitals, but the matter is urgent in terms of the lives of those involved.

At a recent meeting of the all-party disablement group, representatives from Exodus came to speak to us. That is an organisation concerned entirely with getting children out of long-stay hospitals. Exodus has just produced a report called "Still There" which shows that in England and Wales 450 children are still living in hospitals with 25 beds or more. Not only are children still living in the hospitals, but new admissions to those hospitals are still taking place. There were four admissions this year, and the last one was in May in the west midlands. Surely children should be receiving child care and not medical care in the sense of being in hospital institutions. It is quite wrong for them to be in hospital beds under institutionalised care.

Tremendous success has been achieved in recent years in moving children out of hospitals. In 1980 the then Secretary of State said that there were more than 2,000 children in long-stay hospitals. We are now down to 450, so I am not cavilling at the progress which has been made. One of the principal reasons which makes the statistics appalling is that many of the children have reached the age of 16 and are no longer counted in child statistics. The question must be asked, what happens to them when they reach the age of 16? Many of them have no alternative but to go back into hospital.

If we look at the statistics for those under the age of 16 living in hospitals with 25 or more beds, it is clear that there is a wide disparity between the regional health authorities that have successfully taken children out of hospitals and those that have not. For instance, Wessex and the North-West regional health authorities have all but completed the removal of children from their hospitals. On the other hand, the authorities in the west midlands, south-east Thames and Oxford each have more than 45 children living in hospitals. A number of health authorities have more than 10 children living in hospitals.

I should like to see a final onslaught by the Minister to remove the remaining children, to get it all over with. At the same time, we must look at the type of care they will be going into. The all-party disablement group accepted the recommendation by Exodus that there was a need for the Government to add emphasis to circulars already issued requesting action in this area. Prime responsibility for the care of children must lie with the Social Services Department, and the first step is to ensure that each child is reviewed by the social, health service and education authorities, and the second step is to ensure that the results of their reviews are implemented.

I should like to draw attention to early-day motion 844 which calls upon regional health authorities and the Government to take urgent action to remove these 450 children from long-stay mental handicap hospitals and to find them appropriate accommodation in the community. We want an immediate end to the admission of children to hospitals. The Government have achieved a great deal in the last few years, but in his summing up, I hope my right hon. and learned Friend will agree that the Government must take such action and add some impetus to the action which requires to be taken by the regional health authorities.

Another problem referred to the all-party disablement group concerns emergency alarm systems. Here I have a specific point to raise concerning the legislative provisions governing the grants and allowances for the installation and planning of alarm systems. For many people, particularly elderly people, an alarm system might prevent them from being rehoused in alternative accommodation. I should like to raise a number of points and ask my right hon. and learned Friend to look at them. However, I do not necessarily expect detailed answers tonight.

For example, do the housing benefit regulations of 1982, which allow for benefit to be paid to cover rental and running costs of an entry phone or intercom system for the

proper enjoyment of the dwelling, include emergency alarm systems? Do the provisions in the Health Services and Public Health Act 1968 to allow local authorities to make financial provisions for "aids to daily living" cover emergency alarm systems?' Under the Supplementary Benefits (Single Payments) Regulations a benefit officer is able to grant a single payment if it is the only means by which serious damage or risk to health or safety can be prevented. Is there a case for giving more guidance about this regulation, as the typical user of an emergency alarm system would satisfy it?

These are just some of the areas that need clarification. I hope that they will be considered tonight and that answers will be given in due course.

The vexed question of board and lodging payments gives rise to concern because of the effect that they will have on residential care and nursing homes, and the implications of that for the provision of care in the community for the mentally handicapped and mentally ill. Many homes are finding it extremely difficult, if not impossible, to priovide good care within the new financial limits.

A number of glaring anomalies in the new regulations have led to the situation whereby those who require the most special care are unable to pay for it within the existing limit. The two anomalies are, first, that local authorities do not have the power to top up payments to people over pension age or in nursing homes and, secondly, that, while the new level is £170 a week for a person disabled under pension age, it is only £110 a week for someone who becomes disabled after pension age.

As to people over pension age who suffer from either a mental disorder or a mental handicap, it is not clear from the regulations whether they qualify for a slightly higher limit. I should be extremely grateful if the Minister would clarify that point. Even if they qualify, the rate for someone suffering from a mental disorder but not a mental handicap is £120 a week, but for someone suffering from a mental handicap it is £140 a week. These limits do not account for the additional care that many mentally handicapped and mentally ill people require.

If a home is unable to provide care for an elderly person at £110 a week, that person is unable to look to the local authority for topping up. Such people are therefore faced with a number of options. If they have been living at home, they can continue to live at home but presumably in inappropriate accommodation. Alternatively, they can look for a home that can accommodate them at the given price. That home is most unlikely to be able to provide them with the care that they require, and it is likely to be well away from where they have always lived. The third situation arises for someone who has been living in a hospital for the mentally handicapped. Those people have no alternative but to continue to live in the hospital because they are unable to pay to live in a residential or nursing home. The result is that appropriate care in the community is not being provided.

As to the different limits between those disabled before pension age and those disabled after pension age, it is highly likely that someone becoming disabled after pension age will have to remain in hospital much longer than should be necessary. Alternatively, such people may find a second-rate home, but again that is likely to be away from where they have always lived.

The limits are proving difficult anyway, but they are penalising most severely those homes that provide special facilities and place emphasis on rehabilitation. Their costs, and consequently their fees, are inevitably higher as they provide physiotherapy, occupational therapy and general welfare facilities. Basically, they are providing more than just board and lodging, and if we are looking for good practice for care in the community, we must look towards the provision of these additional facilities.

As well as hitting hardest the most severely disabled people, these regulations also hit the voluntary homes, because in the main the voluntary homes provide care for the most severely disabled people. Generally speaking, such care is not something that private homes wish to take on. The regulations are clobbering those homes that are providing genuine care at a genuine price for the sake of putting an end to those other homes that have been guilty of abusing the regulations in the past.

The regulations present us with a complete overhaul of the whole system of payments to people in residential and nursing care. It appears that very little consideration has been given to the mechanics of the system. The general understanding of the regulations is that local authorities will pay for residents and then claim back from the resident what he or she has claimed in supplementary benefit from the DHSS. For people under pensionable age, the difference in the charge and the money from the DHSS will be paid by the local authority, and that is the topping up to which I have already referred.

Reports have been coming through—in the last week such a report came through to the Royal Association for Disability and Rehabilitation—that local authorities are totally unable to work out exactly what their responsibilities are. They are reluctant to pay for a resident unless they can be sure that they will be able to recover the supplementary benefit from the resident. Therefore, the resident must apply for supplementary benefit from the DHSS, which will not award it until that resident has a place in a residential home. That is a bureaucratic nightmare that is most certainly slowing up the whole process for the person who needs to go into a residential home or nursing care.

I fully understand that these changes are being monitored very carefully and that the payments limits are being kept under review, but I cannot stress too emphatically that this is an extremely urgent problem. I know that the Minister is looking at representations from various organisations and that a number of them are collating information on how these residential care homes will be affected. But unless some immediate changes are made—and very soon—it will be too late, and many horrifying and distorting stories will reach the press, just as we have seen with the effect that the changes have had on young people under the age of 26.

I know that my right hon. and learned Friend is aware of these problems and that he and the Government wish to correct them as soon as possible. Until they are corrected, and until these other anomalies are wiped out, we shall not achieve our objective of real care in the community. I hope that these points will be taken seriously by my right hon. and learned Friend and that he will deal with some of them when he replies.

8.58 pm

Mr. Tony Lloyd (Stretford): The reference to Exeter by the hon. Member for Exeter (Mr. M. Hannam) were accurate, because the Select Committee, which visited that

[Mr. Tony Lloyd]

area, was impressed by the standard of care and facilities provided. But that contrasts markedly with some of the other things that members of the Select Committee saw.

My experience of that Select Committee was one of great personal learning, and to some extent profound horror, about some of the things that still exist, especially in our large and older mental institutions. It has been said on many occasions, and it is worth repeating, that as a society we have condemned many people to conditions that ought to be unacceptable in this day and age.

The Minister and all those who gave evidence to the Committee accepted and re-emphasised those comments. As a Parliament and as a society we have to shape up. We must not pay lip service to the idea of getting away from these institutions. We must first make sure that this is done in a proper and acceptable fashion. It must be recognised that we are talking about individuals coming out of institutions and not statistics. Secondly, we must ensure that we do not move people into new and smaller institutions which offer nothing in the spirit of community care. That is probably the single most important thing that I gained from the Committee's deliberations.

The point was hammered home time after time that there are many extremely worrying examples. For example, attempts have been made to establish structures which were not appropriate to the enhancement of the lives of individuals. The whole ethos of community care is so individual that it is virtually impossible to find global solutions or to operate from outright diktats from the centre. The Minister for Health has said on different occasions that it is necessary to give that type of discretion at local level. It involves a whole new ethos of attitudes to community care.

There is a need, for example, for very close co-ordination by different agencies. I am concerned, despite the comments of those who feel happier, that there is still dislocation between the health authorities and the Department of Health and Social Security and others who are the professional carers, such as general practitioners and those in society with responsibility. That sentiment was echoed by the response of the directors of the social services to the Select Committee report in which they drew attention to what they felt was a lack of co-ordination. I am worried that if that lack of co-ordination is allowed to continue and develop we shall end up, 40 years on, with everybody saying that we have failed as a society to cater for the mentally ill and the mentally handicapped and that it was not our fault but somebody else's.

A dispute has arisen between the North-Western regional health authority and almost all others concerned about the level of funding passed from the health authority to the local authorities when individuals are transferred from the care of one to the other. The North-Western regional health authority has been using the figure of £11,300 as the amount which should pass with each individual placement. I was interested in the comments of the hon. Member for Leeds, West (Mr. Meadowcroft), who pointed out that on Merseyside £14,000 was transferred from the health authority to MIND when it undertook such a task.

The city of Manchester has calculated that a figure of £19,000 would be more reasonable. The Minister raises his eyebrows, but the regional health authority is insisting upon a figure which the local health authorities and others concerned feel is inadequate. I know of a case within the Trafford local authority area where a considerable delay ensued before a person was accepted for transfer from an institution to a community-based structure. The result was that the quality of his life considerably deteriorated. The local authority could not afford to develop its own facilities fast enough because of lack of money from the health authority, which is also not happy with the situation.

When I raised the matter in a written question, the Minister made a very fair point and one which I would concede completely. He said:

> "I am not convinced that the production of a centrally compiled account of funding arrangements within individual regions would be helpful without an equally detailed account of the service developments proposed."—[*Official Report*, 4 July 1985; Vol. 82, c. 246.]

I accept the Minister's point about something that, by its very definition, if it is to be adequate community care, has to be so individually based that prescriptions cannot be given from the Elephant and Castle or any large area health authority.

Nevertheless, we have to accept that, even dealing with individually based services, it is necessary to take account of the central funding of resources. The difficulties of which I have spoken will show that the funding is inadequate. It is not satisfactory to allow one authority to blame another. In years to come, we should not be saying that it was a good change of concept but in practical terms had no impact because the different approaches would not, or could not, work together.

Health authorities feel themselves to be constrained by financing problems, and for obvious reasons are reluctant to pass across any more money than the minimum with which they can get away. That is not surprising, but it runs counter to the concept of community care. We should be asking about the individual, not whether he should be transferred out of the institution and into the community but what resources and facilities need to be made available within society to allow him to live an adequate, independent and fulfilled life. Inevitably, that means that we, as a society, have to accept the high resourcing cost. I fear that, the way that the funding of both local authorities and health services is going, we shall not see that.

It is important to draw attention to some of the things that the Select Committee said. My hon. Friend the Member for Ipswich (Mr. Weetch) spoke of the important matter of families and the resources given to them. He spoke about the needs of the family and the need for adequate support for family members caring for others in the family. One witness to the Committee pointed out that professional carers are caring within professional working hours, but members of a family care for 24 hours a day, seven days a week and even, sometimes, 52 weeks a year. We must do much more to make the role of family carers more simple.

Recommendation 36 says:

> "We recommend that local authorities give priority to providing respite care sensitive to the varying needs of different people."

They specifically means respite for those caring within the family structure.

The hon. Member for Exeter touched on the important new board and lodgings regulations. When the Minister attended the Select Committee's meetings, he was questioned closely about the position of people who were

moved out into various hostels and houses in multiple occupation. The Committee pointed out that local authorities should be given power to designate as residential care private homes with more than a given proportion of dependent residents.

Many people move to such places from institutions. The standard of care, as far as the Committee could make out, is grossly inadequate. It is necessary that there should be some means of checking and some responsibility on the local authorities to guarantee that the interests of people in such accommodation is protected. That means that there must be adequate licensing and adequate inspection and monitoring arrangements to make such places work properly. The Committee said that community care is not a cheap option, as many hon. Members have already pointed out, and it is important that we recognise that.

I have quoted figures and the Minister might quote different figures. It is certain that the lower cost individuals—if that is not a too inappropriate way to describe human beings—are transferred from institutions first. However, the cost of care in the community is rising. If we are not merely to give lip service to the spirit of the report, we shall have to rethink our attitudes to social provision for all those who live devalued lives. I am referring not only to the mentally ill and the mentally handicapped, but to the homeless and young disaffected people. We shall have to rethink social provisions.

We have no cheap option. We cannot simply say, "Yes, we have a big heart." We must make resources available to ensure that we provide local services. The needs of individuals are not cheap to provide. Society will not find it cheap to provide facilities for all those involved in community care and community living—the families, the professional carers and the extended carers.

We have to make a commitment. I see no evidence of a movement towards making that commitment and I find that sad. If the Select Committee report is left to gather dust we shall miss a massive opportunity.

9.12 pm

Mr. Roy Galley (Halifax): The hon. Member for Wolverhampton, North-East (Mrs. Short) gave a competent précis of the Select Committee report. I began to wonder whether there would be anything left for anyone else to say. However, the hon. Lady used a slant of her own, with that brusque charm which we have come to know and cherish. In her exposition she did not start at square one of the Select Committee's deliberations.

I was pleased that my hon. Friend the Member for Oxford, East (Mr. Norris) referred to the definition of community care. One must first define it and then ask whether as defined it is right. There was much debate in the Select Committee, which has not been illustrated in tonight's debate, about whether the concept of community care was right. The debate continues in the country.

The oral and visual evidence given to the Select Committee overwhelmingly stated that the principles of a community-based, flexible response policy to the needs of mentally ill and mentally handicapped people was right. That is not a matter of administrative convenience or of cost, but a matter of the quality of life.

In the more personal nature of smaller treatment units, particularly family-sized units, there is a degree of self-reliance and responsibility which has a curative effect upon the majority of mentally ill and mentally handicapped people, and gives them a better quality of life.

In the last 15 years enormous strides have been made in the quality of life of physically disabled people, although much more remains to be done. We must now start to do the same for mentally disabled people. Two or three years ago the Government set the ball rolling by giving priority within the Health Service to the mentally handicapped and mentally ill. The Select Committee report is another milestone in a crusade to improve the lot of mentally ill and mentally handicapped people.

Two key factors in the Select Committee report are vital — flexibility and individualism. Individual needs are important, and when one considers discharging a person from hospital and changing the method of care an individual care plan must be developed. This requires a host of alternative approaches, as we discovered as the Select Committee travelled in the United Kingdom and the United States. It may be a core and cluster arrangement —rare in practice, but common in theory—of extended family dwellings, small staffed homes, hospital-type establishments with 20 to 25 beds, or even larger establishments. That is why I say that there must be flexibility. Each area must develop its own policies, and it would be wrong to rule out the idea of a 50 or 100-bed unit, because in certain circumstances that may be an appropriate way of dealing with the problems of the mentally ill and mentally handicapped.

Mr. Weetch: The hon. Gentleman has made some interesting comments about the quality of life for the mentally ill. If it is to be a community-based policy, he must accept that the community is still suspicious of the mentally ill. If, therefore, a mentally ill person is discharged into a community in which suspicion is abroad, to put it no higher than that, because there is insufficient understanding of mental illness, his discharge may mean the reverse of increasing his quality of life.

Mr. Galley: From the units which he Select Committee visited, the weight of evidence seems to be that going into the community and having some self-reliance has a curative effect on the individuals concerned. There may have to be, at least initially, a large measure of staff support, cushioning the effects of a community which may not react well. However, as one sees, for example, wth drug misuse clinics and rehabilitation centres which are closely associated with the community, those barriers can quickly break down.

My right hon. and learned Friend may be bored with the same point being made to him. It is, however, important that points relating to discharge are made by hon. Members in all parts of the House, because it is among the most important issues that the Select Committee considered. There is no evidence from this country that people have been discharged into the community and then not properly looked after. In the United States, however, there was substantial evidence that that had happened there.

We must make sure, therefore, that an imaginative and flexible range of alternatives—from the small, family-sized unit to the larger unit—are available in the community before hospitals are closed. In other words, proper care plans must be developed before people are discharged into the community.

[Mr. Galley]

Much has been said abut bridging finance. Joint finance, with people being taken into the community with a cost tag, as it were, attached to them, will not solve all the problems that will be presented as we develop the policy of discharge into the community.

It will be possible in my area of Calderdale to carry out an imaginative response to the discharge of such people only by the provision of considerable central finance. That finance, welcome though it will be, will not be available in all areas. Considerable capital consequences will arise from each change as it takes place, and that will arise before any savings are realised from closing large, impersonal hospital complexes.

Some flexible arrangements for bridging finance are helpful. They will have to be developed into a system with a more formalised central bridging fund, and that will involve initial money being provided by the Department of Health and Social Security. Out of such a fund, money can be donated for immediate needs, and gradually assets will accumulate which, in time, can be used to build up a network of community care facilities. In due course that network will be completed and the money that has accumulated will be available for other Health Service provision. I hope that my right hon. and learned Friend will give considerable and detailed thought to that approach.

There is a small proportion of the mentally ill and the mentally handicapped for whom radical change may not be appropriate. Some are suffering from multiple handicap or are so ill that they would not be able to cope with any sort of community facility. Such people form a small minority, but we must recognise that they exist. There are others who are old, and a change in their environment would be counter-productive. There may be a requirement to move from a large building to a small building, but we are discussing individuals for whom there cannot be change. These people will be unable to move from an environment that is essentially institutionalised to one that is community based.

As the process of change gathers pace there will be lessons to be learned. There will be a need for small adjustments to policy as time passes. In developing the strategy, the advice of the Select Committee is, "We agree that this approach is right, and let us get on with the job, but festina lente. Let us do so with sensitivity and care."

There is a need for radical change, but it must be accompanied by careful thought and full preparation. The growing pace of community care provision will mean changes for staff in many disciplines. The staff will need new skills and attitudes. The change of focus from the hospital to the community will not always be easy. The development of multi-discipline approaches and the breaking down of rigid demarcations will be extremely important. The evidence suggests that the dedicated staff who run our mental illness and mental handicap services have embraced change with considerable enthusiasm. However, there are small groups that will be resistent to change. The Select Committee met a degree of resistance from psychiatrists and from other sources as its members visited various parts of the country. However, in practically every instance the professional bodies were supportive of the new policies and the change of focus.

Undoubtedly an element of caution is proper, especially among psychiatrists and the various shortage specialties that are involved in dealing with the mentally ill and the mentally handicapped. We need to balance the airing and resolution of anxieties with the need to make progress with successful change. The trend towards community care will be only one of the pressures that will lead to change in the work of general practice.

The presence of the mentally ill and the mentally handicapped in the community will place greater pressures on general practitioners. It is right that they should be involved closely in the treatment of people once they have been discharged from hospital. General practitioners must be deeply involved in the treatment of those who have never been in a hospital. One senses that at times general practitioners have been resistent and reluctant to be involved closely in the care of these people, but they have to co-operate with many others. The involvement of GPs will mean that they, the GPs, will need to manage their time more efficiently and optimise the use of their skills. They will need to free themselves from more minor asks that can be dealt with by nurses, or pharmacists, for example.

There will need to be flexibility. For example, GPs will have to be prepared to refer patients to community psychiatric nurses, and the role of the nurse will need to develop within a team approach. An excellent service is currently being provided. It is just beginning to grow and to make an impact upon us and we must give it considerable assistance. If we are to make the best use of CPN services, it will be necessary for more staff to move into that area. That will create a need for proper training and deployment and a more coherent approach to their terms and conditions of employment as compared with hospital-based staff. Within the development of CPNs and community nursing services, more parts of the country must place emphasis on developing community mental handicap teams.

The Select Committee was impressed by the amount of co-operation between a range of medical, nursing and social service professionals and stressed the need to strengthen that co-operation. Gone are the days when different professionals worked in their own tight little boxes. There is an increasing need for the co-operation of equals.

It is too easy to become involved in sterile arguments about administrative structures, but there may come a time when, as these services develop and barriers are broken down, we need to provide administratively as well as practically a combined health and social service system.

Greater co-operation, a reduction in barriers and increased sensitivity are needed by DHSS staff dealing with social security, because they become increasingly important when the mentally ill and mentally handicapped live in the community. The benefit entitlement of people moved out of hospital into local authority or NHS regulated accommodation is an important consideration. There seems to be an inconsistency in the operation of the various regulations when people change from one type of accommodation to another. Significant changes in accommodation may not be dealt with sensitively by social security staff.

Rigidity, whether in social security, social service or medical matters, is the wrong approach towards the mentally ill and mentally handicapped. I hope that we shall develop a flexible, individualised system. I was encouraged by the suggestions in the social security reviews that the social fund could be used flexibly to meet

the need for community care as people are discharged into the community and that a sensitive evaluation should be made of the needs of the mentally ill and mentally handicapped to give a new quality to their lives.

9.27 pm

Mr. Dafydd Wigley (Caernarfon): I compliment the hon. Member for Halifax (Mr. Galley) on the sense of the points that he made which were drawn from his experience as a member of the Select Committee. I was not a member of that Committee, so my comments will be brief.

The Committee's report is excellent, featuring a number of practical challenges that face us and bringing us face to face with the question whether we have the commitment to carry out the programmes leading to the integration in the community of the mentally handicapped or mentally ill. I shall concentrate on mental handicap, because I have more knowledge of that aspect, but many of my points will relate to mental illness as well.

The Committee's brief was geared mainly to the position in England, but the Committee also went to Cardiff. The success or failure of the Welsh initiatives with respect to policies for the mentally handicapped is relevant to the thrust of the report. A few years ago, the "All Wales Strategy for the Development of Services for Mentally Handicapped People" suggested not long-stay hospitals but 36-bed or 48-bed hospitals as a means towards integration in the community of the mentally handicapped. The horrified reaction of many people not only in Wales but elsewhere led to the good strategy which we now have which was described in the November Mencap conference in Madrid, which I attended, as the best theoretical plan in western Europe. Unfortunately, theory and practice are not always the same, and we are experiencing considerable difficulties in turning many aspects of the plan into reality.

In the context of the Select Committee's report, it is worth noting three main principles of the "All Wales" strategy. It is important to note that it is written into the strategy that

"these general principles apply to all mentally handicapped people, however severe their handicaps."

The first is:

"Mentally handicapped people should have a right to normal patterns of life within the community."

That is also the main thrust of the Select Committee report. Secondly:

"Mentally handicapped people should have a right to be treated as individuals."

This means that they and their families must play a full part in decisions intended to help them. Clearly, it is easier for the less acutely handicapped to take a meaningful part in decisions affecting them and to practise self-advocacy. For those who are not capable of personal direct involvement, the advocacy service must be developed to ensure that their needs and requirements are taken fully into account. In due course, we may need to address our minds to developing a structure to ensure that.

Thirdly, the strategy states:

"Mentally handicapped people require additional help from the communities in which they live and from professional services if they are to develop their maximum potential as individuals."

That them has emerged time and again in today's debate. We are not talking about cut-price options. We are talking about what is right and gives people dignity and a meaningful life as opposed to the terrible existences that they have led in long-stay hospitals over the years. Making this system work is thus likely to require greater rather than smaller resources, especially during the interim period, and I am glad that the Select Committee report addresses itself to that aspect.

As the long-stay hospitals move out into the community, the patients most capable of doing so will go out while those who remain are likely to be those with the most problems and in need of the greatest resources. In any case, the overheads will remain to be met for a considerable period. Regrettably, some patients may never move out into the community, although we should aim to get as many as possible out of the long-stay hospitals and into suitable care.

There will thus be a parallel demand for community-based services and for continuity of the hospital services and it is important that the Government clearly accept that. The morale of many people in the Health Service is low because they are uncertain about what is to happen to the hospitals and to their own involvement as the emphasis shifts to the social services. I am sure that the Select Committee is right to state in recommendation No. 55:

"In the long-term, this inquiry has confirmed that the separation of health and social services for mentally disabled people is illogical and inimical to joint services. Some means of eventually bringing the two services together is desirable, which would not destroy the present degree of integration of social services with other local authority services, nor diminish the priority given by either the NHS or local authorities to mental disability services."

It is important that that should be placed on the record. We must work towards that end, not by drawing social services away from local authorities but by bringing the Health Service at the sharp end—the local, consumer end—closer to the local government structure. If we are to make care in the community meaningful, we must develop locally based domiciliary services because the kind of service that is provided on an institutional basis in long-stay hospitals will be equally needed by people living in small groups or in their own homes. The services will be much more difficult to arrange, but they must be provided if people are not to miss out.

I take the example of medical services. Many general practitioners have no training and very little experience of handling mentally handicapped people, who occasionally become ill just as anyone else does. General practitioners may need some specialised knowledge to treat and respond to those patients. The same applies to nurses in ordinary hospitals into which mentally handicapped people may need to go for a few days. There needs to be an awareness of the training available for the staff who are dealing with them.

We heard from the hon. Member for Exeter (Mr. Hannam) of the need to turn off the tap as a first step towards integration, and to ensure that no young people under 16 go into long-stay hospitals. That has been the objective of successive Governments, but regrettably we are a long way from achieving it.

We heard some disturbing figures in the all-party disablement group last week. I subsequently tabled a question relating to Wales. I asked how many young people under 16 are resident in long-stay hospitals in Wales, and I find that there are 43 such persons there now in 20 long-stay hospitals or units to which they may go. I now have an update on the figures that were given last week, and apparently 10 such people have been admitted

[Mr. Dafydd Wigley]

during 1985. If we are not getting things right at that end, we shall never get the integration into the community that we seek.

I am glad to say that integration is happening in some places. In my constituency last Friday, the Under-Secretary of State for Wales, the hon. Member for Conwy (Mr. Roberts), was present with me at the opening of a community-based facility. I think that the Minister and other hon. Members will be interested to hear about it.

A constituent and good friend of mine, Gwynn Davies, and his wife Mary, who have a mentally handicapped son who is now in his twenties, had determined to get a community-based facility for mentally handicapped people in their own village. They set up a non-profit-making company, with trustees, and with 200 villagers as shareholders in the company, to develop a small community home for three mentally handicapped people, a shop in which they can work, and a few acres of land in which they can do agricultural and horticultural work. They are getting the financial support that is necessary from the public sector through the Welsh Office and the "All Wales" strategy.

That is an example of enthusiasm on a voluntary basis within the community being tied together with the resources that are available only through the public sector and the state, to get development on a human level on a scale that is meaningful to the people that will benefit from it. Unfortunately, not every village in Wales or in England has a Gwynn and Mary Davies, but many of them have the boys and girls and the men and women who need that sort of initiative.

The challenge is, how do we get community-based services integrated into the community to grow with the enthusiasm and the flair that is seen in the sort of project that I mentioned without becoming bureaucratic on a small scale, in the same way that the long-stay hospitals are bureaucratic on a larger scale? It is not an easy aim to achieve, but it can be done. Three or four years ago I saw how people had succeeded in doing it in Sweden by making sure that the resources, the commitment and the determination were present.

If we are to turn the theory into practice, we need a tremendous commitment. We have to avoid the pitfalls of bureaucracy. We have to avoid putting people into jobs and thinking that by appointing more theoretical people behind desks we shall succeed. We must have people who are enthusiastic at the sharp end. It is a challenge to every Government, and one that is worthy of the effort.

9.39 pm

Mrs. Edwina Currie (Derbyshire, South): I think it would be wise to pay tribute to the Chairman of the Select Committee, the hon. Member for Wolverhampton, North-East (Mrs. Short). She will be leaving the House at the end of this Parliament and she will be greatly missed. She has held together in the Committee a very disparate bunch of people. Whatever our arguments and disagreements, we owe her a great deal for her deeds and commitment to social services and to the welfare of our disabled people thoroughout the country.

The hon. Lady said that the nub of the question is resources, and I hope that the House will recognise that the chance of getting those resources for the National Health Service and local authorities is much better under this Administration than under any previous one.

In the last decade, the cash allocated to the National Health Service — for example, the current money for England—has gone up by three times, but in real terms we have seen a steady rise since this Parliament took office in 1979, compared with a fall in real terms in the mid-1970s.

My hon. Friend the Member for Oxford, East (Mr. Norris) produced many figures. With everyone else, I have done 60 hours work this week already and, like him, I tend to find that figures start to become a little peculiar when one has not had much sleep. Therefore, I shall merely draw attention to the trend. The fall in real terms in the mid-1970s took place when the right hon. Member for Plymouth, Devonport (Dr. Owen) was the Labour Minister for Health. One wishes to put that on the record and say, so much for his comments about nurses during Prime Minister's Question Time this afternoon.

During Prime Minister's Question Time, questions were raised about whether the Conservative Government want more public expenditure and what our attitude is. The Prime Minister said that the key factor was the percentage of GDP represented by this public expenditure. We should put on record the fact that the allocation to the National Health Service under this Administration has consistently been about 2·9 per cent. of GDP, which compares with 2·5 per cent. or 2·6 per cent. under the Labour Government.

Mr. Jeremy Corbyn (Islington, North): On a falling total.

Mrs. Currie: It was not on a falling total — *[Interruption.]* I invite the hon. Gentleman to intervene.

Mr. Corbyn: The hon. Lady is talking about maintaining expenditure on the Health Service, which is not true. There have been significant cuts in many areas of the Health Service. Secondly, there have been massive cuts in other areas of public expenditure, which increase the proportion of expenditure on the National Health Service without improving patient care where it matters.

Mrs. Currie: I am talking about current expenditure in the National Health Service in England. My figures come from the Library. The hon. Gentleman is entitled to do as I did and ask the Library to give him the objective figures for expenditure. In real terms, in cash terms and in the percentage of GDP, this Government have done a great deal better than the Government of the party to which he claims to belong.

Mr. Corbyn: On a point of order, Mr. Deputy Speaker. Is it in order for an hon. Member to say that I claim to belong to a political party when I have been a member of that party for 19 years and intend to remain so?

Mr. Deputy Speaker (Mr. Harold Walker): I have heard nothing that is out of order so far.

Mrs. Currie: We often hear silly comments from the Opposition, and perhaps one might comment——

Mr. Corbyn: The hon. Lady should know all about silly comments.

Mrs. Currie: The hon. Gentleman has not been here for most of this debate. He is never here for other debates on the Health Service and social security matters. He might do better to listen to somebody who is.

Mr. Corbyn: On a point of order, Mr. Deputy Speaker. Is it in order for the hon. Member to mouth inaccuracies? I have been here for most of this debate and I attend almost every debate on health and social services as a spokesperson for my union, the National Union of Public Employees.

Mr. Deputy Speaker: Inaccuracies seem to be part of the daily diet here, although I must say that the hon. Gentleman has been here for most of the time that I have occupied the Chair.

Mrs. Currie: Apart from the rather silly comments that we have heard during the past few minutes, may I draw attention to the comments of the hon. Member for Oldham, West (Mr. Meacher) in the *Daily Telegraph* last Saturday. He said that the real growth in the NHS that has been provided by the Government is not real growth because it has been swallowed up by demography and by the increased costs of equipment and of pay. I would point out to the hon. Gentleman—who has not graced us with his presence today at all—that no rules said that we had to provide the extra money for demography. No rules say——

Mr. Frank Dobson (Holborn and St. Pancras): Will the hon. Lady give way?

Mrs. Currie: In a minute. Sit down.

There are no rules which say that any Government must provide extra money for extra pay, for increased prices or for demography. The fact is that this Government have and the previous Government did not.

I have also heard it said that the percentage of GDP spent on health care in other countries is higher than it is here. Indeed, so it is in countries that finance their health care either privately or through the insurance system. They have to count into their GDP on health care the costs of the people who send out bills and invoices, the people involved in credit control and the credit ratings of those who must pay for the service, and all the people who must chase up the poor souls who cannot pay. As long as we have a Health Service financed through taxation, the percentage of GDP is likely to be lower in this country. Long may it remain financed in that way. Does the hon. Member for Holborn and St. Pancras (Mr. Dobson) wish to intervene now? No; he is busy writing his speech.

May I now turn to the specific topic of community care, in which I have a special interest, because there are eight hospitals in my constituency, of which seven are long-stay, dealing with mental illness, mental handicap and geriatrics.

It used to be the practice that Nottinghamshire dumped its long-stay patients in Derbyshire, particularly in south Derbyshire, and that Derbyshire dumped its long-stay patients in Nottinghamshire. I have a large number of constituents who are effectively rootless and completely cut off after many years in hospital from their communities. The regional health authorities plan to close most of those hospitals over the next 10 years and transfer the patients in one way or another to the communities around. All these hospitals have done excellent work over the past century. I single out Aston hall hospital and the Pastures hospital at Mickleover in Derby. Aston hall is blessed with £800,000 for a demonstration project to show the work that can be done with community care. It has got that money because it has a first-class record of moving people with dignity and compassion into the community and having them accepted in that community. I am glad to see that.

I have no doubt whatever that the staff, with the co-operation of local people, can ensure a smooth transition to more normal life styles for many of those patients and, perhaps even more important, for potential patients who might otherwise be obliged to go in. The health authorities' activities therefore have my full blessing. I shall do everything that I can to help them. Governments for many years have made the Cinderella groups of the elderly, the mentally handicapped and the mentally ill, a top priority. At least, that is what they have said. In the case of the elderly, I suspect that such a declaration has been almost unnecessary because the growth in numbers alone and the needs of the elderly have meant that they take up the bulk of the services. In the National Health Service, for example, they use about half of all the acute beds. We should recognise that this Government have consistently accepted the demographic imperative—if I may put it like that — and have made resources available.

As for the mentally handicapped, their status has improved dramatically over recent years. My right hon. and learned Friend will remember the battle of Amesbury road in Moseley in which I tried to construct an adult training centre for the mentally handicapped within a stone's throw of his house. The objections came, not from my right hon. and learned Friend but from one of his neighbours who was a surgeon at a local hospital. We managed to shame the man into accepting it. It was some years ago.

Even in 1970, mentally handicapped children were regarded as ineducable. Now, they are found all over the country in little units attached to normal schools and they are doing very well. I believe that once they, their families and their neighbours are used to their being in the community, that is where those children will tend to stay. Once this generation of mentally handicapped hospital patients has gone through the hospitals, I doubt if we shall ever again fill up the hospitals by "putting such people away".

The specific problems that I think we face and have not solved are those of the mentally ill. Mental illness is not a nice topic. It is not an easy topic to discuss. The main reactions that one gets in this area of work are ignorance, apathy, prejudice and hostility. I became aware of this problem of acceptance when I was chairman of the central Birmingham health authority. I was obliged to close a ward in the Queen Elizabeth hospital. It was a psychiatric ward, and it was on the top floor of the hospital and our patients started throwing themselves out of it. We eventually reopened it as an out-patients' department.

The first question that I asked was, "Why on earth did we put an acute psychiatric ward on the top floor of the hospital block in the first place?" The answer was that the professor of psychiatry had a battle royal to get psychiatric patients regarded by his own colleagues as ill, treatable, curable and appropriately placed in the teaching hospital, and therefore, the fifth floor ward which no one else wanted was the only one available.

Most psychiatry in the United Kingdom—the Select Committee saw this on its visits—does not take place in teaching hospitals; it does not take place in acute hospitals; it is not glamorous; there are vacancies for staff

[Mrs. Currie]

and very often the staff are untrained or undertrained. They are overworked, unsupported and unappreciated. That is a matter of fact.

What is missing is not so much resources. What is missing is not so much the Government commitment. What is missing is public understanding and the acceptance of mental illness. Just as the professor had no end of trouble persuading his colleagues in the medical profession to accept the presence of his patients in their hospital, so those of us who take an interest have a major task ahead of us persuading constituents and colleagues that the mentally ill are not different people to be segregated as if they have some disease that is catching. They are part of our community. Appropriate treatment, rehabilitation and research facilities are not an option but an absolute necessity.

Serving on the Select Committee on this topic was a depressing business in itself. The National Schizophrenia Fellowship presented us with many pages of evidence and I challenge anybody to read those case histories without feeling desperately sad. It is a heartbreaking business. The most noticeable feature of much of the evidence received was the anguish and bewilderment of many of the families, including families with the NHS in other contexts—such as those where the head of the household was a doctor —that there was no help available for such patients. They have found that, 40 years into the NHS, too often the attitude of public authorities consists of a mixture of stonewalling and buckpassing so that precious little progress can be made.

Mental illness is no respecter of persons. It is now just about three years since an hon. Member committed suicide. I hope that sufficient time has passed for us now to look at the matter a little objectively. Jocelyn Cadbury was my Member of Parliament. I was his senior councillor and twice running a member of the selection committee which invited him to fight the seat. I attended the inquest and we found that he had twice before tried to commit suicide. I do not think that it would have mattered very much if we had known because he had fought the illness successfully for 16 years and had no particular reason for feeling depressed. There was no reason, as far as we could discover, why he eventually succumbed.

I believe that, if Jocelyn Cadbury had suffered from a physical illness, he would readily have admitted it, sought help and expected to receive, and received, sympathy. Because it was a mental illness, he feared the stigma and was unable to ask for help in time.

We still have a desperately long way to go to change attitudes towards mental illness. The Government have shown themselves willing to face the expectations that we all put on the NHS. My right hon. and learned Friend has shown his capacity to follow public opinion and to lead it. I hope that he will take to heart the remarks of the Select Committee on this difficult area and continue his efforts to improve the care that we offer all of our people.

9.51 pm

Mr. Jeremy Corbyn (Islington, North): This is a timely and useful debate. I congratulate the Chair and membership of the Select Committee on producing a report which allows a debate such as this. Several of its observations are valuable and some of its recommendations should be taken up. As I am sponsored by the National Union of Public Employees, which has many members in the Health Service and local government, I must observe that they will be at the sharp end of any programme of continuing closure of large psychiatric institutions and the transfer of resources to borough councils.

As I was a borough councillor in Haringey, I am well aware of the enormous pressure on resources on a borough council's social services budget and the difficulty of arguing for sufficient funding for the mentally ill. Although I welcome the idea behind the Select Committee report and the work that it has put into the subject, we must remember that community care as many members of the Select Committee envisage it is extremely expensive. I am not convinced that the Government are prepared to put in the necessary sums of money. Nor am I convinced that they are prepared to lift restrictions on borough or county council expenditure to enable them to make provision for the mentally ill. I am alarmed that the Government are proposing community care on the cheap. That would entail grave dangers of privatisation, private homes and all that goes with them.

Many Conservative Members hold up for praise the great virtues of the north American health service. They often quote the alleged efficiencies of health care in the United States. Many studies have been done of the process which is known as deinstitutionalisation in the United States. They have found that deinstitutionalising the mentally ill and putting them into privately run and privately owned institutions does not guarantee their safety, a cure or help, but means that somebody makes a great deal of money. The motive is different: not to look after people but to make money out of them. The American Federation of Labour and Congress of Industrial Organisation conducted a survey on private care for the mentally ill and the concept of self-regulation. Its report said that self-regulation was

"inadequate, unworkable and unacceptable as a substitute for strict government enforcement of standards."

Although Conservative Members praise the American system as an example of the unfettered, free market economy, they should remember that there is another side to the coin.

There is severe understaffing in the institutions which provide care for those who are mentally ill or who need psychiatric care and insufficient resources are made available. Vast needs are not met by the large institutions. The Minister for Health should tell us how much money the Government are prepared to put into community care. Inadequate resources are being provided. Community care is far more expensive than institutional care, so much more money will be needed to enable a smooth transfer to community care. In 1979, the Jay committee reported that the number of staff working with the mentally handicapped needed to be more than doubled to 60,000. The Government have not responded to that recommendation and the number of places has decreased. Guidelines for local authority residential provision for the mentally ill suggest 0·33 places per 1,000 of the population. The present provision is one third of that number. Although the provision is increasing in some areas, there is still a long way to go.

Those who are physically or mentally handicapped are cared for not only by institutions, the social services and the National Health Service but by a large number of people who are forced to give up their jobs to look after

relatives who are ill. Although Conservative Members praise the concept of community care for relatives and neighbours, in many cases it forces women to give up promising careers. The reason is that inadequate funds are made available. The Labour party is determined that they should not be forced to give up their careers. It will ensure that adequate public resources are made available. I know many people whose careers have ended because they have had to look after mentally or physicall ill relatives. It is a very serious problem, and I am surprised that Conservative Members are smirking.

Mr. Charles Kennedy (Ross, Cromarty and Skye): The hon. Gentleman said that the Labour party would provide more resources for the care of the mentally and physically ill. How would it provide help for those people?

Mr. Corbyn: The hon. Gentleman has made a perfectly reasonable point. Financial remuneration could be provided for those who are forced to stay at home, and there could be more community nursing facilities and home helps. Nobody should be forced to give up a career simply because a relative is seriously ill. Nobody should be forced into financial hardship as a result.

There are many recommendations in the report. The principle of the financial atmosphere in which the report has been produced has to be examined. While some Conservative Members may choose as their bedtime reading Conservative Central Office or Department of Health and Social Security propaganda, the fact is that there is serious underfunding of the Health Service in general, serious underfunding of the social services and serious underpayment of many manual workers in the hospitals or social services departments.

The report refers to a serious problem in recommendation No. 55 — the relationship between the National Health Service and the local authorities. While the report is careful and specific in saying that there has to be a close relationship between the institutions in ensuring that community care is properly carried out and that individuals who are being looked after by the community are properly looked after and not put at risk, the report begs the question about the relationship between the Health Service and local government — with the democratic nature of local government and the essentially undemocratic and rather patronising nature of the Health Service structure.

In areas such as care for the mentally ill where there is a close overlap between the role of social services departments and that of the NHS, both institutions must be looked at again. I would favour bringing things closer to the local authority where there is a greater possibility of democratic control, or democratising the Health Service. The relationship between the two institutions must be brought closer together.

I should like to refer to several recommendations — *[Interruption.]* If Conservative Members cannot be bothered to listen, there are plenty of bars in the building that they can go to to continue their conversations.

The first recommendations to which I refer is where the report rightly refers to the high cost of community care. It states that it cannot be done on the cheap. If the Government pay lip service to the report, I hope that they will respect that recommendation and make the necessary financial provisions available.

The report also refers to individuals leaving mental institutions and making sure that an individual care plan is available for such people so that they are not lost in society or some plethora of so-called community support, but are genuinely looked after individually. That is extremely important.

Another important point concerns the need for a central bridging fund to ensure that sufficient money is available for the cost of closing psychiatric hospitals and the increased cost to the local authorities. Another particularly important recommendation, which shows that a great deal of work has been put into it, concerns the design of buildings for the mentally ill and the need for consultation on it. As one who has been involved in examining building design in the past, I believe that far too often architects' ideas tend to run away with them, as do local authorities, ideas. They do not take into sufficient account the needs of the people who will have to use the buildings.

There are social security problems for the residents in psychiatric institutions or mental hospitals. I hope that the Department is prepared to examine that seriously. Many relatives of people in mental hospitals have come to see me, who have been concerned about the way in which benefit payments are made to patients in those institutions and their understanding of the benefit payments to which they are entitled and which are being paid to them.

Recommendation No. 90 is about the disposal of sites after the closure of mental hospitals. People in my constituency are concerned about that. The regional health authority is proposing to close Friern Barnet hospital, which is in the Prime Minister's constituency. The Select Committee suggests that before such an institution is closed and the land or the buildings sold it must be offered for the maximum use of the service for which it was built. Many people are sceptical about the motive for closure and sale. They believe a lot of it is asset stripping and that sufficient funds are not being made available to the local authorities to undertake the necessary care for the psychiatrically ill.

I should like to make some specific points about the effect and thrust of the policy proposals on London from the DHSS. Virtually every social services department in London has been told by the Government that it is about 30 per cent. over the grant-related expenditure allocation formula. It must, therefore, be fairly obvious that if those social services departments are to have far greater responsibility for the mentally ill, they will require more resources.

I hope that the Minister will say tonight whether the GREA formulas will be adjusted to take account of the needs of those people who are to be cared for by the community, or whether the same punitive measures will be taken against those social services departments as have already been taken against eight London authorities through the rate-capping proposals last year. The operation of the resource allocation working party formula on Health Service expenditure means there is a continuing and long-term outflow of resources from inner city areas. Those of us who represent inner city areas are acutely aware of that every day. We are aware of the long-term plans for the closure of many hospitals and of the centralisation of health facilities in individual boroughs or health authority areas. I hope that the Minister will recognise that there has to be a serious change of attitude on this matter.

In my constituency, Islington borough council, as part of the local authority partnership agreement, is in discussion with the regional health authority and the Government about developing care in the community, and

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on the effects of the closure of the Friern Barnet institutions. At the present time, 300 Islington residents are patients at Friern Barnet. Of those, 100 are psycho-geriatrics, 100 need medium to long-stay accommodation and 30 are acute psychiatric cases. The local authority has put forward a detailed set of proposals on how those cases can be dealt with.

The real problem is whether there will be sufficient money available from the regional health authority to the local authority to meet the needs of those patients. It has not been made clear how much it will cost to care for a patient who is no longer in a mental institution but in some form of community institution. I know of no figures made available on this matter and, as I said earlier, the local authorities are still being penalised by the grant-related expenditure formula. The Government should come clean on this matter.

Many local authorities are in the same position as my own borough of Islington where a local institution is being closed. There will be an influx of mentally ill to that area, and enormous responsibility will fall on that social services department. If sufficient funds are not available, the effect will be further cuts in the social services received by other people or inadequate care for people leaving those mental institutions.

Many people are extremely worried and suspicious about the motives of the Government in promoting community care. They do not know whether it is to be a cost-cutting exercise or a genuine attempt to improve care for the mentally ill in our society. Exactly the same problem is faced by the neighbouring borough of Haringey where about 400 patients will be coming from Claybury Friern hospitals when they close. Exactly the same problems apply there about the operation of the GREA formula and the costings they have worked out for it.

Mental illness in society requires more discussion. A matter of importance that is completely missing from the report, which could perhaps be studied at further length by the Select Committee, is the causes of mental illness. Any cursory study will show that the incidence of mental illness is greater in areas of high stress, intense poverty and high unemployment, and if we return people to those communities we must be clear about what we are doing for them.

The growth in, and causes of, mental illness require serious research. It is not good enough simply to say, "We will do our best to look after the mentally ill." That is obviously the case, but we should also look at the causes of mental illness, its patterns and the possibilities of cure of the conditions and symptoms.

Many people who work in mental hospitals such as Friern Barnet and Claybury which are threatened with closure feel a sense of injustice and anger at what is happening. They have worked very hard for many years in those institutions often under-staffed and in very difficult conditions. They are doing jobs for which they are not paid enough, and quite often they have not received proper training because of the way in which those institutions have developed. Therefore, it does not seem fair that closure should be proposed when it is not clear what will happen to the staff. It is not clear what the staffing implications will be for the borough councils that will receive the patients from those hospitals, nor is it clear what will be the long-term future for those people.

We require from the Government sufficient funding to pay for genuine community care, not care on the cheap. We also require a public education programme so that people understand the causes of mental illness and have respect for those who suffer from it. The mentally ill should no longer be put at the back of the queue either in terms of resources within local authorities or resources within the Health Service. If that continues, the mentally ill will continue to be shoved to the back, as a result of which we forget about them and pretend that they do not exist, as has happened for far too long.

10.12 pm

Mr. Charles Kennedy (Ross, Cromarty and Skye): I feel as if I am bringing up the rear before the House listens to the replies from the Front Bench.

I was not a member of the Select Committee that produced this commendable report on community care. However, it has been interesting, informative and educational to listen to the debate and, as it were, to have flesh put on the report. After all, this was a unanimous report, and hon. Members have tonight given their own views on various aspects of it.

As I have said, I take an interest in health matters, but in this case I represent a Scottish constituency in which this is an important issue. The two hospitals there—Craig Phadrig and Craig Dunain—are greatly affected by the thrust of the policy which the Select Committee has been examining.

The debate has been notable for its lack of partisan flavour, with the exception of the hon. Member for Derbyshire, South (Mrs. Currie), who in characteristic rumbustious fashion gave a spirited party political defence of the Government's spending programme and disciplines in relation to the Health Service. She seemed to antagonise several hon. Members in a quiet way, but I could not help but feel that with the recess approching we are about to implement our own form of care in the community. We are going to shut down this central institution and move Members round about the country back into the community. Perhaps the old adage is true that MPs are more effective and less like manure when they are not all piled up together in an odious group but when they are spread round the country and there is a chance that they might do some good.

Mrs. Edwina Currie (Derbyshire, South): I am sorry if I hurt the hon. Member's feelings by being critical of his party leader in his previous incarnation as Labour Minister of Health. I merely wish to put on record one or two facts. Would the hon. Gentleman admit, having heard me speak many times in social services debates, that I can be exceedingly critical of the Government when I feel like it?

Mr. Kennedy: If so, it is in exceedingly coded terms. It is usually well padded by glowing remarks about the Minister, his spending record and his general demeanour. In fact, everything he is going is good, but.

We are getting off the subject, but on the point about spending, it is interesting to look at the figures when my right hon. Friend was Minister for Health. During that time the NHS had the largest ever sustained, in real terms, growth pattern.

Mr. Frank Dobson (Holborn and St. Pancras): He was a filthy Socialist.

Mr. Kennedy: I think he was practising some of the principles which still guide him in politics today. It has been agreed all round that the basic issue of concern is that of funding. It will come as no surprise to the Minister, speaking in the luxury of the Opposition Benches, when he hears me say that I am firmly in favour of more funding for community care.

There are some fairly cruel contradictions or some dilemmas for local authorities in this policy. They have been encouraged to enter into joint funding agreements. They now find that, because of another arm of Government policy, namely, rate capping, they are faced with the dilemma of perhaps having to maintain the statutory financial obligations, particularly as the taper effects begin to move the burden for joint funded projects away from central Government and back to the local authority. As they have to consider how they meet the challenges or the obligations, it is likely that they will fall foul of Government policies in other sectors.

I think the Minister, being reasonable, would agree that dilemmas are presented for health authorities and local authorities. The point made by several speakers on bridging finance is particularly pertinent in that context. The hon. Member for Oxford, East (Mr. Norris) quoted the Minister as saying that if some hospital facility has been greatly under funded and the function is transferred to community care the cost will go up. That is without doubt the case. There is no doubt that bridging finance and real pump priming are extremely important and additional pump priming is also important to make this whole shift in the balance and in the nature of care more effective and less crippling financially to local authorities than it has been or will yet be.

I should like to move to the role and position of the support services within the community. One of the commendable features about the report is the scope and the breadth with which it adopts its examination of the subject matter. There are two areas of particular concern. I mentioned the hospitals in my own constituency, but I am sure this applies to every Member who is in the Chamber. One is housing and one is transport. The Committee has done a good job in pointing to the need for more housing. It is right to look to the housing associations in particular as leading the way in the development of more housing geared specifically, certainly sympathetically, towards the needs of those with various forms of disability or handicap. That is welcome, and will obviously feed in well to a care in the community programme.

Some of us in the alliance have been spending a considerable amount of time in Wales recently. It made me laugh to hear everybody say what a big constituency Brecon and Radnor is. It is about 1,000 sq miles, whereas my constituency is 2,000 sq miles and involves several islands as well as the coast-to-coast mainland in the north of Scotland. Therefore, transport is close to our hearts. I was glad to see that the committee spent some time concentrating on transport. It said:

> "Desperately little attention would seem to have been paid to the effects on transport services of community care policies."

Everything should be done to examine that problem, particularly in the rural areas with scatttered populations. With the exception of the Western Isles and Orkney and Shetland, I could claim the constituency with the most scattered population. Not only is public transport essential in such areas, but the car is not a luxury but a necessity as well. Anything that can be done to focus on transport and its place in the community care policy is welcome.

The report is extremely interesting and points the way to the future when it recommends that

> "voluntary bodies be approached with the idea of piloting service-contracting."

That is just one aspect. There is an immense potential for the voluntary sector to be harnessed still more. I appreciate the anxieties of the hon Member for Islington, North (Mr. Corbyn). That need not mean that one is trying to offload on to the voluntary sector, much of whose work is unrecognised and unsupported, what should be the rightful duty of the state or the local authority. However, voluntary bodies have an enormous amount of good will and ability, and can make a big contribution to the community, as the hon. Member for Caernarfon (Mr. Wigley) made clear from his local example. The voluntary sector could and should be more involved.

Sometimes, the various statutory and professional groups tend to approach the so-called Cinderella services somewhat hesitantly. They do not wish to involve voluntary bodies too much because it might lead to additional difficulties. I appreciate that there may be problems with professionalism, but much more can be done.

If I am lucky, I may learn more about the role of the voluntary and informal carer at Social Services questions next Tuesday. Assuming that the supplementary questions are somewhat shorter than the speeches that have been made tonight, we may reach my question. I shall be asking the Secretary of State whether he has any intention of introducing a specific carer's benefit which, if it were introduced, would go a long way to overcoming the problems that we have been discussing.

More can be done to encourage the local benefits office, the local housing office, the local social services departments and the local health authority to try to come together. This does not necessarily involve extra finance. We should try to provide some help for the person caring for the lady next door or the young couple keeping an eye on the mother-in-law or the elderly or dependent parent, uncle aunt or whatever. They should have a central point of access from which they can get more information about how they tap what is often the mystifying range of benefits that should be available to them but which they do not pick up. It could also tell them how some of the services, both statutory and voluntary, can be delivered in a more organised, cost-effective and professional way. Money could even be saved.

The report is generally welcome. I learnt a great deal from it and from tonight's debate. We can only hope that, after the publication of the report and tonight's debate, these ideas will circulate further, and stimulate more discussion and response. Whatever our differences in degree or on policy issues, we would all agree that this sector will become increasingly important as we go into the next century. I congratulate the Committee, and I look forward to the Minister's speech.

10.25 pm

Mr. Frank Dobson (Holborn and St. Pancras): It is normal to pay tribute to those who served on the Select Committee, and in particular to the Chairman of that Committee. Sometimes the compliments are nominal, but hon. Members throughout the House will agree that my

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hon. Friend the Member for Wolverhampton, North-East (Mrs. Short) has made a significant contribution over the years to the development of decent policies for health, social services and social security. The report is yet another of her contributions, and we look forward to many more.

We must pay tribute those who work in the old-fashioned, clapped-out, long-stay hospitals. They are usually overworked, underpaid, unappreciated and frequently unrecognised. Any criticism of those institutions is levelled, not at them, but at society in general, because we have allowed those institutions to fall into disrepair. We have not provided sufficient funds for the encouragement necessary for those workers to do their job properly. A major characteristic of the old institutions is that the people working in them are frequently out of sight and out of mind. That suits society. Most people agree that properly funded and organised care in the community is better for most people than care provided by the old institutions. Subject to a number of reservations expressed by the hon. Member for Oxford, East (Mr. Norris) and others, we all look forward to the day when most people are cared for outside institutions.

Before we can care properly in the community, we must ask why people were first cared for in the old institutions. We have all been shocked by spectacular mistakes. Some people should never have been housed in institutions, but once they were there they were not allowed out. Primarily, people were put in long-stay institutions because they could not cope outside on their own or because those who tried to look after them could not cope. Any change in the arrangements for people in those institutions must ensure that they can cope outside and that the people looking after them can cope with the problems. If we proceed willy nilly to move people out of the old institutions, those involved will not be able to cope. The danger is that we shall empty the old institutions and do nothing more. That will not be satisfactory.

To be realistic, we must accept that there is no evidence that "the community" cares. It has never cared much about people in institutions. We must ensure caring for the future, but that will not just happen. We must create the machinery. People living in the community now — people who are vaguely living and vaguely in the community—are not being cared for. For example, we do not know how many homeless people live in London. Estimates vary from 5,000 to 20,000. At least several thousand people are homeless in London. Many of them have medical problems. Many are addicts of one sort or another. Many suffer from physical or mental illnesses. "The community" has left them to doss down wherever they can, leaving the police to move them on, when they want only to settle down for the night. If the Government and society want to prove that they have the capacity to provide care in the community for people who are at present in institutions, the best way to carry conviction is to do something about the people who are not being looked after properly in the community now.

To cater for those concerned we shall have to provide many smaller units, some of which will have to give the full-time care — 24 hours a day, 52 weeks a year — which the old institutions have provided, but in a smaller and better environment. We shall need better places where people can go for shorter stays. We must make provision for day care and outpatient care. There will have to be a massive increase in domiciliary visiting, with improvements in primary care of all kinds. From most available evidence, it is clear that we shall have to provide much more training for general practitioners in mental health and mental handicap, which is not their forte at present. We shall need a vast structure of support for families, neighbours and friends, by whom a large part of the burden of community care will be carried.

In my view, a warm-hearted instinct has produced the revolution in thinking about the problems of the mentally handicapped and mentally ill, but we must be practical and ask whether the resources to sustain the development of a high standard of care in the community are being provided. From an examination of the present position, or from a reading of the Select Committee's report, the answer is that the resources are not being made available to make care in the community work as well as it should.

Almost everybody agrees that the old institutions should go and that we need new units, but there is not much evidence that they are now being built on a sufficient scale. There is little evidence that sufficient additional day care units are being provided in places convenient to people living in the community. There has been some improvement in outpatient psychiatric treatment, but much remains to be done on that front, and we need much more training for doctors and others. I could give a litany of requirements, but if I did the answer would probably be, "No," "Not very much," "Not likely" or "Not on your life." We must change that situation.

In view of the resources that are being provided, it seems that the Government have not appreciated the scale on which they will be needed. In a speech to the Richmond Fellowship in July last year, the Parliamentary Under-Secretary of State for Health and Social Security, in my prescence, said:

"It may be the case that care in the community will be more expensive than care in the large institutions."

There is no question but that it will be more expensive if good quality care is to be provided. The old institutions are being phased out because they do not provide care to a high enough standard. If we provide care to a higher standard, wherever we provide it, it is bound to cost more.

The old institutions provide bulk care, and the best parallel of which I can think is an old motor coach. It carries large numbers of people, it has not had enough spent on it over the years and it needs to be replaced. The only alternative that would be cheaper than the old, clapped-out motor coach would be for everybody to get out and walk, because no alternative provision has been made. If the old coach is replaced by small or individual forms of transport, that will cost more in total than squeezing everybody into the big old coach. So it is with new provision that will need to be made for care in the community. If we are talking in terms of individualised, tailor-made care for everybody who comes out, that is bound to be more expensive than the old institutions.

I find it difficult to obtain evidence that the additional resources will be provided. On 8 December 1983 I asked the Secretary of State for his estimate

"for the current year and each of the next two years of the increased costs to local authorities of providing care in the community for people spending less time in acute hospital beds, the closure of convalescent homes, and homes for the elderly, the mentally-sick, the mentally-handicapped and disabled persons."

The Under-Secretary of State replied at some length, ending with the following:

"the information needed to make the requested estimates is not available centrally."—[*Official Report*, 8 December 1983; Vol. 50, c. 233-34.]

I asked a further question on roughly the same lines on 16 July 1984. The question was directed to the number of people involved, and not finance. Again, the Department did not have estimates of the number likely to be moved out. In October 1984 I asked the Secretary of State what increase in joint finance allocations to certain London health districts he estimated would be required to promote the closure of old long-stay institutions and the development of community care. The Under-Secretary replied:

"No such estimates have been made centrally."—[*Official Report*, 23 October 1984; Vol. 65, c.573.]

As I understand the British system of government, it is not possible to get money from the Treasury unless Estimates are produced. A Government who are not producing Estimates on the cost of community care are clearly not seriously into the business of getting the necessary funding. Underfunding will have two effects. First, it will bring the concept of care in the community into disrepute. Much worse than that,if community care is practised on the cheap, there will be disaster for those who need the care and also for the unofficial, unpaid carers —in other words, family, friends and neighbours—who take on the great burden of looking after those who come out of the institutions. We all know that the bulk of the burden will be borne by women. Unless we make adequate provision, a great burden will fall on many women who are not equipped to carry out that task of caring. Being born a woman does not necessarily provide the full equipment to look after a member of the family who is physically or mentally sick, despite our traditions.

Even if the additional resources are provided, many women will carry out the task because women have always done so in the past. I suspect that everyone present in the Chamber knows families where an amazing amount of love—there is no other word for it—is poured into looking after a mentally ill, mentally handicapped or physically ill relative. When I come across that in my constituency, I feel humble. That is my feeling when I come into contact with families who treasure one of their number in that way. It can be a terrible burden, and it is our duty in planning care in the community to ensure that the community does not consist of one family or even one person. Genuine care in the community means us all getting together and sustaining the carers as well as the cared for.

Members of the Select Committee will know that one of the greatest reliefs for a family that is caring for one of its number is respite care, when the person being cared for can go into a hospital while the rest of the family have a holiday. I am not saying that I have come across an example of that respite provision being withdrawn for the mentally handicapped or the mentally ill, but within my constituency I have encountered examples of the withdrawal of respite care for the physically handicapped because Stoke Mandeville hospital, which had formerly provided respite care, could no longer afford to do so.

Local authorities have a statutory duty to provide for the mentally ill, but they are allowed to make their own assessment of the level of need. The latest figures that I have been able to find show that, of the 32 London boroughs, seven provide no special accommodation and seven others provide no day care places for the mentally ill. They cannot claim that there is no need, because nearly all 14 place people in facilities which are provided either by other boroughs or by voluntary organisations. Even in what the Minister regards as relatively well resourced London, local authority provision is lacking.

The problems are shown by the figures on after-care for patients discharged from mental hospitals. I have not been able to obtain any national figures, but the latest figures for Greater London show that only 3 per cent. of the people discharged into inner London had definite arrangements made with their local social services to provide some care for them when they came out of hospital. That is a staggeringly low figure, yet these are the very local authorities which have been rate capped, which have already lost a gigantic amount of rate support grant and which can expect to lose even more when the arrangements are announced next week.

The Government will claim—I am sure that the hon. Member for Derbyshire, South (Mrs. Currie) will back them—that spending on social services has risen by more than 12 per cent. in real terms during the Conservative party's term in office. By subtracting the increases in spending which have been made by those councils which the Government vilify as prolifigate overspenders, we can see that there has been practically no increase. Many local authorities have scarcely increased their spending.

My hon. Friend the Member for Islington, North (Mr. Corbyn) referred to the relationship between poverty, a poor environment and the incidence of mental ill health and mental handicap. I think that every one accepts that there are social, class and income relationships. That means that, as the big old institutions are closed down, people will be discharged to the poorest parts of Britain, especially to our big cities. On the whole, the health authorities most likely to be affected by the discharges are those which, under the changes of the past few years which were so proudly introduced by the right hon. Member for Plymouth, Devonport (Dr. Owen), lost most funds and suffered most cuts. The four Thames authorities which serve Greater London are the most significant.

In October 1984 I asked the Secretary of State whether "the resource 'allocation working party formula for capital allocations reflected the cost of replacing large long-stay institutions in outer London as part of the move to community care."

The Minister replied:

"No. The RAWP formula does not specifically take account of the cost of replacing obsolete buildings."—[*Official Report*, 23 October 1984; Vol. 65, c. *572-73*.]

In other words, this magic formula which certain people think is so fine does not make any allowance for the need for inner London health authorities to provide new buildings to replace the old institutions in which the mentally ill, mentally handicapped and old are housed. I suspect that the effect is similar in other large cities.

Successive Governments have failed to find the resources necessary to bring about care in the community. "Care in the community" has a potent political appeal. It breaks down the concentration of care, as represented by the hospitals, and redistributes it over a much wider area. This redistribution does not solve the problem, but from the Treasury's point of view it has inestimable value in that it makes the problem harder to identify and consequently easier to ignore. One reason why the Government are so

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keen to mouth phrases about care in the community is that it allows them to adopt an attitude of "Out of the NHS accounts and out of mind". It is more difficult to identify the amount being spent in the regions through agencies, local authorities and voluntary organisations, than it is to make a simple check on the spending figures of a centraliesed National Health Service.

The old institutions will be with us for some time, even those that are gradually being emptied. One of our duties is to remain aware of how these institutions are functioning. It is generally accepted that institutions which are being run down find it extremely difficult to provide even their previous standard of service. There is a fall in morale among the staff and an awareness of the running down, which makes things difficult. We must ensure that the people still in the institutions do not suffer even more than they did in the past as a result of the run down.

I have written to every district health authority about attitudes to privatisation and the contracting out of ancillary services. The most significant response was anxiety that privatisation might spell danger for people in long-stay institutions. Many of the district health authorities replied that the domestic staff, especially in long-stay institutions make an essential contribution to life in the wards. They are able to spend time with patients and get to know them. They become familiar with the patients and the patients familiar with them. They will make cups of tea in their spare time and help old men fasten their flies when they come back from the lavatory. That is a contribution towards humanising the wards.

The health authorities are aware of the danger that once the clipboard and stopwatch approach is applied to domestic services on the wards that high standard of care will either disappear or nurses presently occupied with other duties will have to provide it. If that happens, more nurses will have to be appointed or some of the existing functions will not be carried out.

The Opposition strongly support the idea of care in the community, but we do not believe that any of the big old hospitals should be closed before people in the hospital and in the area that it serves and those who wish to provide care in the neighbourhood are satisfied that satisfactory alternative provision has been established. My experience suggests—this applies not just to mentally handicapped people—that some of the people who have been moved out of the big old lodging houses into homes of their own or group flats have suffered in the process because insufficient provision was made in advance to support them during that transition.

Mr. Corbyn: As there is declining provision of acute hospital beds in inner and city areas, and a great demand for geriatric, psychogeriatric and psychiatric provision, the long-term problem is often longer waiting lists of people trying to get acute beds because there is insufficient overall provision.

Mr. Dobson: I accept that, although I suspect that the Minister will not agree, and I shall deal with that aspect in a moment.

We should accept that the disappearance of the old institutions in any geographical area must not take place unless we are satisfied that adequate provision has been made in advance for those to be transferred. The important point is that it should be made in advance. If people are not caught by proper after-care arrangements from the moment they leave the old institutions, they will be lost to the system and will never by retrieved. It will be almost impossible to track them down and many people will actually die as a result of being moved out of the old institutions. For those who have been in institutions for a long time, the trauma of coming out will be the worst part of the process and we must look after them very carefully during the transitional period.

Many genuine mistakes are also likely to occur during the transitional period. It is vital that the people organising these things do not take an ideological view about moving people from one part of the spectrum of care to the next. They should not regard themselves as having failed if the part of the spectrum which they most favour turns out to be unsuitable for some of the people for whom it has been provided. Everyone involved must keep an open mind, or we may end up expecting some people to function in facilities which are still too institutional for them, while demanding that others survive in a non-institutional climate with which they cannot cope. If the Victorians did not have the moral right to put everyone in big institutions, no more have we the moral right to put people in any particular part of the new spectrum of arrangements if it does not suit their needs.

I do not believe that proper care for the people moved out into the community can or will be provided by people making money out of it. That has been one of the major thrusts of the Government's policy on care in the community, but we do not believe that the standards laid down are adequate or that health authorities have the resources or the will to do the necessary monitoring. When, predictably enough, the profiteering became too obvious even for the present Government, their response was not to step up control of standards and to distinguish between good and bad providers, but to introduce new lower limits on DHSS support, which has hit high quality voluntary and charitable provision as well as the profiteers who were allegedly the target.

In view of the time, I shall not take up any more of the points raised in the debate. I make just one final point, which no doubt will not commend itself to the Conservatives. I do not believe that care in the community can really work in a society based on he stressful and competitive philosophy of the modern Tory party. The Government believe that the engine of society is selfishness and competition, that life is a race in which the prizes not ony do but should go to the strongest, the fastest, the cleaverest and the most aggressive. That view is ultimately irreconcilable with the idea of looking after the mentally handicapped and the mentally ill.

The Victorians, who, as we all know, subscribed to the values which the Prime Minister claims to like, resolved the dilemma by taking the mentally and physically handicapped out of the race altogether and putting them in large institutions, partly to cocoon them from the struggle. People with handicaps cannot be cocooned in the same way in the community if the community is based on competition. Besides the requirements for proper care in the community which have been outlined by hon. Members on both sides of the House, there is one overwhelming requirement—to base our society on a recognition of our mutual dependence and our obligations one to another. That is not the Government's philosophy, but without that philosophy characterising our entire society, care in the community will never prosper.

10.54 pm

The Minister for Health (Mr. Kenneth Clarke): The hon. Member for Holborn and St. Pancras (Mr. Dobson) was his usual quiet and attentive self for most of the debate, but he perked up a little and his beard began to bristle when my hon. Friend the Member for Derbyshire, South (Mrs. Currie) began to inject some of the red meat of partisan politics into the debate. When he replied, he carried with me for most of the time as he made a reasoned and considered speech, but he ended with one of his slightly over-the-top pieces of party philosophy, which took him a little away from the subject.

I wish to begin—I hope that I shall end in more or less the same mood—by agreeing with as many of the hon. Gentleman's sentiments as I can. I join him in congratulating the hon. Member for Wolverhampton, North-East (Mrs. Short) and all the members of the Select Committee on the work that they put into producing this report. I agree with most of those who have spoken in the debate, including the hon. Member for Holborn and St. Pancras, that we should support the policy of care in the community, which the Select Committee report carefully defines, to make sure that we do not start using it as a slogan. I am especially glad that the Select Committee members managed to secure a debate on the report, so that we have had a protracted discussion on an extremely important subject. I have come to believe that this is an extremely important part of current health policy. It is also the part of health policy that is least understood by many members of the public, and it still arouses much unnecessary controversy when authorities attempt to put it into practice.

When I became Minister for Health, I knew a fair amount about the care in the community policy, but I had little direct experience of the problems of putting it into practice. When I came to my present job, I shared some of the public's scepticism about some of the things that had happened in the past. I was certainly sceptical about some of the consequences of the so-called upgrading of mental hospitals which began more than a decade ago, which led to patients being turned onto the streets, because they were described as non-treatable, to reduce the numbers in the wards. Not long ago, I visited a Salvation Army hostel where the people there told me that they remembered ambulances coming up outside the hostel and turning out patients who had just been declared to be non-treatable by a psychiatrist at a nearby large mental hospital.

I knew when I started, and still know, that mistakes can be made. I know that people discharged from hospital can lose touch with the services that are meant to support them and can fall sometimes into sad and unpleasant conditions. I always have a fear that we should not add to the population living under the railway arches at Charing Cross and elsewhere by finding that, accidentally, we put discharged mental patients into that position.

However, having said that, and being aware of all those problems, I must say that, after only three and a half years in the job, I have become an enthusiast for the policy which underlies this changeover to care in the community. That is because I have seen good examples of what is happening as health authorities tackle the changeover that is required.

For instance, I have seen the enthusiasm, as my hon. Friend the Member for Exeter (Mr. Hannam) said, with which the leaders of the health authorities and the local authorities in that part of the country are making the change, and how they are collaborating to achieve it. My hon. Friend praised his health authority, and most hon. Members who have visited Exeter will agree with him that it has done much in this area. In other parts of the country, I have made a point of trying to see care in the community policies and have asked health authorities to show me what they have achieved. I have met patients of all ages and the staff who care for them, and I have heard first-hand descriptions of improvements in the quality of patients' lives that are being achieved now. I do not wish to generalise too much from the examples of individuals whom I have met, but I shall cite two which relate to long-stay patients who might be thought difficult to transfer out of an institution. In Eastbourne, I met a mentally handicapped man who I should say was in his 60s. He had spent 40 years in a nearby hospital for the mentally handicapped. For about 30 years of that time he had been mute and a disruptive patient—not seriously, but setting off fire alarms and fire appliances in the hospital. I met him in a converted couple of houses where he lived. He talked pleasantly in a relaxed way. He described his life in Eastbourne and was plainly enjoying it. He was clearly not highly intelligent, because he was mentally handicapped. He was able to talk and was enjoying a much fuller life than he had for all those years in his hospital.

In Derby I met a man who had been diagnosed as mentally ill. He had spent 40 years in a nearby large mental hospital. I met him living in a converted terrace house with a great deal of close support from the local social services department and the housing association which had provided the housing. He was slightly reticent, but he was not an unusual man. If I had met him outside the house I should never have realised that he had been a patient in a mental hospital. The only curious thing about his conversation was that his recollections of Derby all revolved around the second world war when he had worked making aircraft engines in the nearby Rolls-Royce factory. He had plainly been cut off from ordinary life in Derby from the second world war until a year previously, when he had gone into that new accommodation. I mention those cases, firstly, because it is always encouraging to meet such improvements being achieved in patients' lives, and, secondly, because they led me to the conclusion to which the hon. Member for Leeds, West (Mr. Meadowcroft) came. I agree with him that one goes to one part of the country and finds that there are many patients whose transfer into the community is regarded as impossible and yet one goes to the next place and finds that that has been achieved successfully.

There is plainly no way in which we can discharge all the acute mentally ill patients into the community, but with mentally handicapped patients the position is rather different. I do not see a future for large ward and large hospital care for them at all. A great deal can be achieved. It is easy to exaggerate the difficulties of moving long-stay patients into the community.

I do not just have the experience of this country. I attended a meeting recently of Ministers of Health from all the countries in the Council of Europe. I heard them all agree that a community-based model of care should replace an institution-based model. All those countries were adopting policies similar to ours. I am glad to say that in such an international gathering the United Kingdom is seen as something of a pioneer. That relates not just to this Government but previous Governments. We were also

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regarded as having avoided so far some of the worst dangers of going too fast in an ill-considered way, as I fear has happened in Italy, or scarcely moving at all, as appears to be the case in Greece.

Despite the mistakes and the difficulties, by and large the process of change has been reasonably well managed here.

It is rather unfortunate that the Select Committee went to the United States and that it cites the United States and Italy as the international comparisons because—with no disrespect to the general health care in those countries—they are widely regarded as two of the poorest examples, with especially unfortunate mistakes having been made in Italy. I do not think they resemble anything that has happened here.

We should realise that we are achieving a great deal and that we are in line with international practice. I hope that the few hon. Members, such as the hon. Member for Islington, North (Mr. Corbyn), who say that many people suspect that the change is just part of saving money, realise that they are out of step with the majority of Members of the House who realise that our objectives are shared by the vast majority of those genuinely interested in the mentally ill and mentally handicapped patients.

We must restate the aims of the policy to a sceptical public. We ought all to agree about the need to change from an old-fashioned and unsatisfactory pattern of care in which most of the patients were unwilling long-stay patients in large wards in large hospitals. We must replace that with better, more civilised and humane care for patients that keeps them in closer touch with the community and allows them to live in their own homes or near centres of population.

We need smaller units of all kinds, including small hospital units, with nursing staff trained in community skills. We need sheltered housing with resident staff. We need day services and domiciliary help for family carers, to whom the hon. Member for Ross, Cromarty and Skye (Mr. Kennedy) paid tribute, and for those patients who are capable of self-sufficiency in their own homes.

In my visits around the country, I have seen remarkable cases of severely disabled people living alone in their own house or living in twos or threes. With the right support, people who the average layman would think could not possibly cope are living in their own homes. That is the objective of the policy. It ought not to be controversial.

I cannot emphasise too often that the Government are not changing the pattern of care to make cuts or to save money. That is not our objective and it would be a mistake for anyone to think that it is a credible objective. We are shifting resources with the patients. We will have to retrain and prepare staff. Sometimes it will cost more on balance and sometimes it will cost less.

I quite agree that, in changing to a more modern and humane pattern of care, we must concentrate on the needs of patients. Each patient will require individual assessment of needs. The transition for each patient, as well as for whole blocks of the service, will require careful joint planning, joint approaches from health and local authorities and co-operation between all the health care professions. It is a pity that, in just one or two speeches today, hints of rivalry between the professions began to creep in. There were suggestions about which authority might dominate in the provision of care and which unions or professions might get the bulk of the staff and provide care.

I agree with the hon. Member for Ross, Cromarty and Skye that it is important to take advantage of voluntary bodies and what they can contribute. Care must be provided by those who are best able to provide it. That might be the health authority, the local authority or a well-run voluntary body. We must not discriminate between the three, but decide in patients' interests which of those bodies will get the finance and deliver the service.

Our aim is to improve the quality of life of the patients in our care. We want to improve their environment. We must put them in a less frustrating setting than large wards, give them more stimulus and less boredom, protect them and retain the best elements of the word "asylum". That policy has the backing, as I am sure the Select Committee found, of most of the leading interested voluntary bodies.

MENCAP and MIND—the largest bodies with an interest in mental handicap and mental illness respectively—are fully committed to this approach. I try to keep in touch with both as frequently as possible. The only criticisms that I get from them are that we are not going fast enough. They also always argue about finance. The Select Committee report endorses that policy and praises what has been achieved in some places.

I must say, however, that I find the report a little like the curate's egg. Although I welcome its support for its less institutionalised approach, if I am allowed to criticise the members of the Committee, who have fairly criticised the Government in various ways, I must say that the report lays heavy emphasis on the difficulties, having described its support for the policy. The report shows signs of having been influenced by many complaints, and on one or two occasions it proposes some curious arrangements. The Select Committee has paid far too much attention to those who say that it cannot happen until larger additional resources are made available to a particular witness's department in his locality.

The report acknowledges that sometimes excuses are made, but in each locality community care has got to be made to work, sometimes against the grain of local prejudices and by changing local practices, within realistic expectations of resources. The state priorities of the local authorities and the regional health authorities match those of the Government and of successive Governments on health care and social policy. Those priorities are the former so-called Cinderella services for the elderly, the mentally ill and the mentally handicapped.

One should find that, when increased resources are made available, generally they go to the priority areas. One is considering the activities of statutory bodies whose spending has increased briskly during the last six years. My hon. Friend the Member for Derbyshire, South reminded us of the figures. The spending of those authorities which provide hospital and community health services has increased by 15 per cent. over and above the general level of inflation during the last five years, and the spending of the social services committees of local authorities has increased by 17 per cent. over and above the general level of inflation in the same period. As they are spending so much money, they should pay more than lip service to the priority services. That is where the bulk of the money should be going. We give growth money to the health authorities to enable them to make changes in practice and meet rising demand.

Whenever a debate is held either about finance or about policy in the National Health Service, the Government are able to point to the vastly increased amounts of money that are given generally to the authorities, which we leave them to disburse, and to the policy priorities. The debate is then turned round on the Government. We are asked: if those are the priorities, where is the extra money? The point of providing more money for the coffers of the health authorities is to enable them to improve their services in the stated priority areas.

Given that we are not devoid of resources for this priority area, one looks at the pace of change, upon which the report placed much more emphasis than any of the speeches to which we have listened today. The Select Committee's report urges a substantial slow down in the pace of change. It suggests that any idiot could close a large hospital. If so, during the last few decades we have been rather short of successful idiots. No authority has ever succeeded in carrying out its stated intention of closing a large hospital. This is not a new idea, anyway. The report refers to the 1962 hospital plan when the Minister of Health became quite lyrical about the need to close down large numbers of mental hospitals. Twenty-three years later, not a single large mental hospital has been closed. Therefore, I cannot agree with the emphasis that the Select Committee has placed upon the Government avoiding undue haste.

Although the aim of the policy is not to close hospitals —that in itself is a pointless aim— nevertheless it is worth considering whether we can replace some of these institutions with something better. Most regions have one or two hospitals that they ought to have closed many years ago. I fear that some of them are a disgrace to a modern, civilised country. They are very old, and since the hospital plan was published they have become older, more expensive and emptier. The hon. Member for Stretford (Mr. Lloyd) described his experiences of visiting some of our larger mental hospitals. I have been as moved as he was by some of the conditions that one sees there. The hon. Member for Holborn and St. Pancras described some of them as clapped out. Some are dank, inhospitable dumps as buildings. I agree that the amazing thing is that the quality of care has been raised so much by the dedication of all the staff wo have to work in those inhospitable surroundings. I join the hon. Member for Holborn and St. Pancras in paying tribute to the staff who have done so.

One has to ask: why have many of those hospitals, long earmarked for closure, never closed? One of the main problems is the difficulty of planning the replacement services and making sure that thy are there for the patients to move out. There have been other reasons as well. We all know that there have been if we have local experience of trying to plan that change. Once the closure of a large hospital is proposed it is usual to encounter resistance to that proposal from friends of the patients and the staff. Friends and relatives tend to fear any change from a setting that they may think is not attractive, but where the problems of the patient appear to be relieved to some extent.

Whatever the Confederation of Health Service Employees say nationally—it is in favour of the policy generally — locally, trade union leaders and large numbers of the staff tend to resist the loss of jobs. The local population often receive an inadequate explation of what is likely to replace the hospital, so they are induced to campaign against the closure, which is presented to them by the National Union of Public Employees or other unions as all part of a policy of health cuts. That slows down the changes and adds to the difficulty of making them.

No doubt the hon. Member for Oldham, West (Mr. Meacher), who has joined us, if we ever succeeded in closing the large mental hospitals, would add the lost beds to the ludicrous figures that he produces to try to show that bed closures are a measure of the state of the Health Service. That all underlines the difficulties that are faced in practice in closing large hospitals. I have my own experience. Saxondale hospital was cited by the hon. Member for Wolverhampton, North-East. It was first mooted for closure when the right hon. Member for South Down (Mr. Powell) was the Minister responsible for health. We still have not got round to it. Most local people will believe it when it happens and will accept it once they are satisfied that better services will replace the hospital.

Mrs. Renée Short: Does the Minister accept that during our inquiry we did not have representations from any hospital union, from either individual workers or groups that we met, complaining about the possible loss of jobs if large mental institutions were closed? Will the right hon. and learned Gentleman put that out of his argument? We said in our report that after the closure of the large institutions staff would be deployed, working with smaller groups of patients in different circumstances and different settings, but the jobs would still be there.

Mr. Clarke: I am grateful to the hon. Lady for making that point. It is the same point that I made. I have encountered leaflets issued by local union branches trying to organise resistance to a closure on the grounds of resisting health cuts and saving jobs. I accept that the hon. Lady may not have encountered that, but I have done so, not least in my part of the country.

We therefore have decided to set early dates — we have already set some — for the closure of those redundant hospitals. The reason for setting dates is that that will provoke the start of the serious planning process, and where that process is well advanced, it will concentrate people's minds on maintaining a set timetable in implementing it. Provoking the planning process sets in train a difficult series of measures that the authorities have to handle if mistakes are not to be made or kept to a minimum. Those involved need to explain to relatives that by the date set better care will be provided. They need to explain to the staff the retraining that they will require and their future in the system, as the hon. Lady said. They need to explain to the local population the type of patients who will move into the community and avoid planning rows and unreasonable fears. I am tempted to defend my neighbours against the attack of my hon. Friend the Member for Derbyshire, South; but I am glad to say that there were no objections in the part of the world that she described. Objections can be avoided if the nature of the movement into the community that is taking place is explained to the population.

We must provide better services outside before anyone is transferred. Everyone is agreed upon that. Every patient must be individually assessed and moved to a setting that suits his or her personal situation. That is an extremely difficult process, but it is important for the Government to keep up the pressure to make sure that people concentrate

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their minds on it and accept it is going to be necessary to do those things, because the large hospital is finally going to be closed. I do not regret the pressure we are putting on to make everything proceed.

Not all hospital care will be replaced. Many of those suffering from mental illness will need some hospital care. I agree with my hon. Friend the Member for Oxford, East (Mr. Norris), who said that there is a slight danger, if one is not careful, that people will concentrate on community care, which is easily arranged for the mildly neurotic, and forget that the first call upon the hospital service must be, in the case of mental illness, to care for the seriously disturbed and acutely ill patient. From time to time schizophrenics certainly may need hospital care.

For the future, the small local unit on the district general hospital site is the best model. A few months ago I attended the opening—not the formal opening, but very nearly the actual opening—of one in the Queen's medical centre in Nottingham. There I met staff members who were extremely enthusiastic about what they were going to do, and they were nurses transferring from Saxondale. they could see they were moving into a better hospital environment. We also need hospital hostels; small homely units.

We must guard against hospital units being provided which are merely transferring patients from one hospital institution to another. It I had time, I would answer the complaints made about Oxford. I will go away and find out again about the situation in Barnsley about which I have heard complaints before, and try to make sure that hospital authorities are not going to reproduce institutions.

These things are going on at the moment. It is good practice and it is working up and down the country. It is being assessed and spread by the Health Advisory Service, Good Practice in Mental Health, the National Development Team for Mentally Handicapped People, and Kent Community Care Project Assessments. Those are various groups which know an great deal about what has been achieved already and are disseminating good ideas to those who are getting started.

Having tried to persuade all those who have spoken, except for the hon. Member for Islington, North, who insisted on carping about community care, that the objectives are common objectives, I will turn to the matter of finance, because the other message for the Select Committee is that we will support this policy with more enthusiasm so long as we are satisfied that the finance is going to be there to provide better services.

My hon. Friend the Member for Oxford, East said that he did not believe this was going to be a cost-neutral policy. I am not sure why it is believed that cost-neutral is really the basis upon which the change is being made. In our detailed evidence to the Social Services Committee on Public Expenditure, we showed that expenditure has increased in real terms on the mental illness and mental handicap services. Spending by health and local authorities on these services rose by 19 per cent. in real terms between 1978-79 and 1983-84. Unit costs have risen more substantially, and in this area I accept that unit costs can be taken as reflecting rising standards where previously one had low-cost hospital facilities.

The figures now no longer reflect the total resources employed in the care of these groups because they are going over increasingly to general community health services expenditure and the amount going on mental illness and mental health cannot be precisely identified. But there is more money going to this area all the time and that is not cost-neutral expenditure. When it comes to transferring the hospital to community, one cannot always tell whether one is going to spend more in that locality or less. I will not go in great detail into the engaging description by the hon. Member for Holborn and St. Pancras of the old coach being replaced.

Before assuming that it is automatically more expensive outside for the great majority of patients, I ask hon. Members to remember that about 40 per cent. of the expenditure in a large hospital is not in direct patient care. That percentage is the cost of the maintenance of the buildings and support services and so on. If the ratio of one to one staff attention required in the community is going to be greater, a certain amount of money which may have been wasted on old fabric, will be released to finance personal care.

Mr. Norris: Given that 40 per cent. of the cost of institutional care is not directly related to patients, surely the relevant point is that bridging finance is not merely the provision of capital to buy small houses before the receipt from the old institution. It must also take account of the fact that diminishing numbers in a large institution will still have to be catered for while adequate services are provided in the community, and that will be a substantially longer bridging operation which will have a substantial ramp on both sides.

Mr. Clarke: The bridging argument entered my exchanges with the Select Committee and is again reflected in the report. I accept that in the loosest sense of the term, bridging must look at the capital and revenue needs. We need a mechanism that can cope with that.

I know that the Select Committee feels strongly about this, and I should like to explain what the regions are now doing about it. The role of the regions is to allocate resources to the change in policy. The purpose in allocating resources should be to enable the health authorities to close down the institutions, disperse the patients and to buy the service required for those patients from whichever area is best. One must therefore decide how much money will be transferred with each patient.

In a sense, that will be a patient's entitlement to cover care in the community. One will have to decide how much money will be transferred to another district health authority, if that is where the patient comes from; to a local authority, if its social services department is to provide the care; or to a voluntary body, such as MIND. That will enable those organisations to buy the service required.

As far as I can see, all regional health authorities are now beginning to build up their own arrangements for precisely that mechanism of transferring funds in order to buy the services that patients require. I do not have time to describe what each and every region has done, but the hon. Member for Leeds, West cited the example of the £14,000 per place being given to MIND.

The hon. Member for Stretford (Mr. Lloyd) criticised the amount being contemplated by the north-west region. That region appears to have an extremely good system of transferring funds with the patient, and it will pay a local authority, such as Manchester city, for providing services. At the moment, it is paying £11,300 for each patient, because that is the average cost incurred. That may not be

right, and the average cost may not be sufficient for a heavily-dependent patient. What is needed — I believe that the north-west region will look at this with the local authorities — is a more sophisticated mechanism for deciding how much each patient will cost in each place.

That much is already being done by regions. If we have a central bridging fund, and given that the Government will build it up presumably by putting money into it out of the total Health Service allocation, one is really saying that centrally we shall try to achieve this bridging over and above what the regions are already doing. I am not sure whether that is desirable.

I did not close my mind about that, and I do not do so now. For the last three or more years since I have been Minister, I have been saying that I would look at any cast iron proposal that demonstrated that bridging finance was required for capital or revenue. But that must be a well thought-out scheme requiring genuine bridging finance where money was needed up front to complete the closure of an institution. That would release the funds which would pick up the finance in the future, thereby enabling central finance to go down.

I more or less told the Select Committee and others that by some means or other we would find the finance for such a well-presented scheme. No such scheme has ever been presented to the Government, and no locality is cited by the Select Committee where such a proposal is thought to be necessary or possible.

I shall look at any such proposal to see whether the claim is justified or excessive, but it is important that the central contribution should fall away at the end just as it builds up at the front. I shall also see why the present regional mechanisms are not coping with this, although I believe that most regional health authorities would claim that they could cope over the strategic planning period. I do not reject the idea outright.

I remain to be persuaded that a worthwhile use for such a scheme is likely to be forthcoming. I have not left myself time to deal with all the other finance we are providing: the huge increase in the funds going to joint finance; the opportunity we have taken to enable care-in-the community money to be transferred timelessly to local authorities; our initiative on getting mentally handicapped children out of hospital, a matter on which I feel as strongly as the hon. Member for Caernarfon (Mr. Wigley) and my hon. Friend the Member for Exeter. We must complete the job on which there has been a great deal of achievement over the last three years.

I remain enthusiastic about care in the community. I trust that the Select Committee will propagate the policy, point out its advantage to the public, campaign for it with enthusiasm and combine that with their criticism and their scepticism. I think we will all find that we will make worthwhile advances on behalf of the patients in our hospitals.

It being half-past Eleven o'clock, the Question was deferred, pursuant to Order [4 July].

MR. DEPUTY SPEAKER *then proceeded to put forthwith the deferred Questions and the other Questions necessary to dispose of the remaining Estimates appointed for consideration this day.*

CLASS VII, VOTE 1

Resolved,

That a further sum not exceeding £1,151,288,000 be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1986 for expenditure by the Department of the Environment on subsidies, the option mortgage scheme, improvements and investment, grants to housing associations and the Housing Corporation and sundry other housing services.

CLASS VII, VOTE 2

Resolved,

That a further sum not exceeding £19,505,000 be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1986 for expenditure by the Department of the Environment on housing administration, including rent officers, rent assessment panels, and grant in aid to the Housing Corporation; housing management and mobility; grants to voluntary organisations concerned with the homeless; and contributions towards the work of the National Federation of Housing Associations.

CLASS VIII, VOTE 2

Resolved,

That a further sum not exceeding £86,176,000 be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1986 for expenditure by the Department of the Environment on other environmental services including grants in aid and international subscriptions, on grants in aid to the British Waterways Board and Development Commission, on bridgeworks and on developing Civil Defence water services, and a contribution to the Lord Mayor of Bradford's Appeal Fund.

CLASS VIII, VOTE 3

Resolved,

That a further sum not exceeding £176,464,000 be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1986 for expenditure by the Department of the Environment on derelict land reclamation, the urban programme and grants in aid for Urban Development Corporations.

CLASS VIII, VOTE 5

Resolved,

That a further sum not exceeding £86,300,000 be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1986 for expenditure by the Department of the Environment on central administration, including royal commissions, committees etc.; payments in connection with licence fees and environmental research and surveys including housing, building and civil engineering research.

CLASS XIV, VOTE 1

Resolved,

That a further sum not exceeding £367,125,000 be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1986 for expenditure (partly recoverable), including loans by the Property Services Agency of the Department of the Environment on acquisitions, public building work and accommodation services, etc., for civil purposes in the United Kingdom.

CLASS XI, VOTE 1

Resolved,

That a further sum not exceeding £5,168,144,000 be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1986 for expenditure by the Department of Health and Social Security on the provision of services under

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the national health service in England, on other health services including a grant in aid and on certain other services including research and services for the disabled.

STATUTORY INSTRUMENTS, &C.

Motion made, and Question put forthwith pursuant to Standing Order No. 79(5) (Standing Commitees on Statutory Instruments, &c.)

Sea Fisheries

That the Fish Producers' Organizations (Formation Grants) (Amendment) Scheme 1985 (S.I., 1985, No. 987), dated 1st July 1985, a copy of which was laid before this House on 1st July, be approved.—*[Mr. Mather.]*

Question agreed to.

Housing (West Lewisham)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Mather.]*

11.32 pm

Mr. John Maples (Lewisham, West): I apologise to you, Mr. Deputy Speaker, and to my hon. Friend the Minister for keeping you up late to discuss certain aspects of the housing problems in West Lewisham. My hon. Friend understands how important they are. From a previous incarnation as a Lambeth councillor, he will understand many of the problems in Lewisham. It is a fairly typical inner London borough which combines the leafy suburbs of the south with serious problems of urban decay and deprivation in the north. A lot of the housing is old, certainly pre-war, built in the 1930s, some of it in the 1940s and quite a lot of it even before 1919. We also have problems with multi-occupation estates and high-rise blocks built in the 1960s.

In the time available, I should like to look at the capital housing budget for the borough. The basic HIP allocation for Lewisham has fallen from £29 million in 1980-81 to just over £20 million this year—a fall in real terms of about a half. If one looks at the total capital spending, which includes receipts from sales and one or two other balancing items, one finds a similar picture. It has fallen from £32 million in 1980-81 to £30 million last year and £21·6 million this year—a fall of more than 50 per cent. over five years and of nearly one third from last year to this year.

The aspect to which I ask my hon. Friend to address himself is the biggest problem presented by the capital repairs and improvements needing to be done to many council properties in the 1960 estates and pre-war houses. Reductions in the budget have meant that those essential works are not being done. To some extent, the position has been ameliorated by the proceeds from the sale of council houses. They contributed £5 million to Lewisham's capital expenditure last year, but this year the contribution will be only about £2 million, despite the fact that the council has about £8 million in the bank from sales in previous years.

There is no question but that Lewisham council has dragged is feet over the right to buy and has not been an enthusiastic seller. It is also fair to say that much of its remaining stock will not be sold without some inmaginative new initiatives on the part of the Government rather than on the part of the council and that the restrictions on being able to spend 20 per cent of those proceeds will remove what little incentive there is to a council like Lewisham to sell its properties.

I should like to spend a few minutes on the question of essential repair and improvement work that is not being done. The council in Lewisham owns about 43,000 houses and has sold about 2,000. I think that it would be fair to accept that for the foreseeable future it will remain a major landlord. It is therefore incumbent on it to keep its housing stock at a reasonable standard. It is in duty bound, surely, to protect the value of public assets by maintaining those values, to maximise its income from them and to reduce the number of difficult-to-let properties which arise, not always but sometimes, through a lack of capital expenditure. Essential work on both capital repairs and rehabilitation is being postponed. Roofs needing replacement or renewal, houses that have not been rewired for 50 years, and concrete cladding that is crumbling on

tower blocks are all examples of capital repairs that need to be done. Rehabilitation accounts for some of the empty properties. More importantly, some of the environmental improvements to an estate can make it easier to let and maximise its income and can encourage people to buy their flats.

There are revenue consequences to these capital savings. The capital expenditure reductions appear to be a saving, but often the result of not doing a capital repair is that current repairs have to be done. If the roof is not replaced, it has to be patch repaired, perhaps once a year, until the capital repair is done. That costs money, and on top of that is the inescapable fact that if a capital repair is not done this year it will cost more to do it next year, and if it is postponed next year it will cost more to do it the year after. There are some false economies in what appears to be happening.

All of this also militates against the desire of tenants to buy their own property, because they are less likely to do so if the capital repairs that should be done are not being done. If they are asked to buy places that are in a bad condition, they are unlikely to do so, whereas if their estate has environmental improvements, or housing that has been brought up to standard, they are more likely to buy.

Lewisham has many houses that were built in the 1930s and 1940s, and many 1960s estates. A proper repair and improvement programme would maintain the value, maximise the income and facilitate sales of such estates.

In the owner-occupied sector, the picture on improvement grants is not encouraging. Although in this year's capital expenditure there is a provision of about £2 million for improvement grants, it was committed last year. Since then, 3,000 applications for discretionary grants have been turned down. The Government and their supporters rightly pride themselves on the enormous advance in the home improvement programme, but it is worth bearing in mind that one of the consequences of the Budget is that there will not be a single new discretionary grant this year.

The problem is even worse on some of the transferred GLC estates, because of the repairs that need doing to those and the consequences of the HIP allocation for the GLC. Lewisham compulsorily took on 13,400 GLC properties, one of the largest numbers. It did not want to do so, but it got them under a statutory instrument that was passed by the Government. It contained a repair and improvement guarantee by the GLC to put those properties at a certain standard by 1992.

The boroughs that took those properties did so without surveys, but relying on the guarantee, which was a major and vital element in the transfer. It is clear that the base of the financial arrangements for making the transfer was to be that no undue disadvantage should fall on the ratepayers or the tenants of the borough that was taking the properties. Surely it was implicit in the imposition of a guarantee such as the one imposed on the GLC by that statutory instrument that the GLC would financially be able to fulfil that commitment.

The GLC's renovation strategy for its properties identifies £1,000 million worth of work in the next seven years—about £140 million a year. This year, the GLC's HIP allocation is £67 million, and in Lewisham one can see the results of this in a repair programme that is clearly behind schedule. The stock that was taken over in Lewisham was worse than the average GLC stock. Urgent repair and health and safety work is being postponed.

Worse than that, some of the costs that should be falling on the GLC are falling on the borough's HIP allocation, because it has had to do emergency programme repairs that are not being done by the GLC. This year, the GLC will spend about £6 million on capital improvements in the borough, whereas it is clear that the figure needs to be nearer £12 million if that programme of improvements is to be fulfilled, and the guarantee redeemed by 1992.

Of the 1,605 GLC properties transferred to Lewisham in my constituency, 470 are on the Sydenham Hill estate. It is a well-situated estate in a nice area, is well landscaped and looks good from the outside. Five or six years ago, if one had asked the tenants what they thought of it, they would have said that it was a pretty nice place in which to live and work. However, as a result of the way that the estate was built in the 1960s, almost all of the flats inside are miserably cold and damp in the winter.

People are living in cold, and unattractive conditions. Outside the crumbling cladding is dangerous for people walking below it. The GLC consultants identified £4 million worth of capital repairs that needed to be done to the concrete, heating, window frames and so on. The proposal for this year's spending is about £1·8 million—nearly half the sum.

In fact, the GLC will spend £100,000 on repairing the concrete and £75,000 on the heating, and the Lewisham council will make up the spending with another £200,000 which will enable central heating to be installed in 138 —or just over a quarter—of the units. That is a total of £375,000 against £4 million worth of work which needs to be done.

Not only will tenants continue to suffer and have to put up with their cold, damp flats for another winter, but it will affect the possibility of selling the flats, the let-ability and the income to be derived from them. It will also affect revenue expenditure. In the long term, it will cost more to install central heating, to renew the windows and to deal with the falling concrete in two or three years' time when conditions are worse.

Tenants are worried about what will happen after the abolition of the GLC. We are told that the GLC's HIP allocation will be divided between the boroughs, but it is not yet clear upon what basis. It would be unfair to divide it on the basis of the general needs index, which is how the London HIP allocation is generally divided. Lewisham took nearly 10 per cent. of the GLC houses stock when it took 13,500, whereas Sutton took none. It would be unfair if Sutton received part of the GLC's HIP allocation.

The fair way is for the GLC's HIP allocation, whatever it is, to be allocated to those boroughs which took GLC stock specifically earmarked to fulfil the GLC's commitment. The current GLC HIP allocation will not be enough, however it is divided, to redeem that commitment to put the properties into a proper condition by 1992.

How will the residuary body's ability to generate capital be utilised? Will it have the power to utilise capital receipts to repair the properties by 1992? Will it be able to enter the equivalent of the GLC's HIP allocation, or will those capital receipts not be able to redeem that promise?

Capital spending on housing in Lewisham has fallen by 50 per cent. in real terms in the past five years. A major result is the postponement of major work. That has affected sales, let-ability, repair costs and the income from properties. Repairs will cost more in the future.

The GLC has special problems. The HIP allocation is not sufficient to redeem the promise made in the statutory

[Mr. John Maples]

instrument to put properties in a proper condition. Considerable problems might emerge from the abolition of the GLC and the reallocation of HIP money to the boroughs.

I cannot help concluding that once again current overruns have resulted in capital cuts. That is a false equation. The potponement of essential work is a false economy and will cost more.

11.39 pm

The Parliamentary Under-Secretary of State for the Environment (Sir George Young): I am grateful to my hon. Friend the Member for Lewisham, West (Mr. Maples) for giving us the opportunity to discuss housing in West Lewisham. I know from correspondence how deep is his interest in housing. He has rightly raised a number of issues about his constituents, not least about the arrangements after the GLC is abolished on 1 April next year. This evening my hon. Friend gave a perceptive analysis of some of the issues, and I should like to respond to some of his anxieties.

I shall comment first on the general level of capital spending and the provision that we have made for capital expenditure by local authorities, which in the current year will be over £4 billion, a considerable sum by any standards. I need not re-emphasise to my hon. Friend the importance of the Government keeping within their overall figures, which are central to the Government's economic strategy. If expenditure were allowed to rise significantly above the level that I have outlined, pressure would be put on interest rates and there would be the risk of growth and investment in the private sector being impeded. In the long run nobody would be advantaged if there were any interruption to the recovery.

Within the figures, the initial housing investment programme allocations made to local authorities for the current year amounted to almost £1·6 billion, and London's share was almost £483 million. In addition to the initial housing investment programme allocations made for this year, those authorities which complied with our request for voluntary restraint on expenditure in 1984-85 are eligible for 5 per cent. supplementary allocations. On top of that, authorities facing particular difficulties because of the implications of the Housing Defects Act have been invited to make bids for supplementary allocations.

As my hon. Friend said, Lewisham's allocation for the current year is £20·3 million. It has made no application to us in connection with the Housing Defects Act, but it could be entitled to a 5 per cent. supplementary allocation when the final figures for 1984-85 are known. As my hon. Friend pointed out, Lewisham can supplement its HIP allocation through the use of the prescribed proportion of capital receipts. While this year we have had to reduce it to 20 per cent. generally, it is still possible for authorities to augment their allocations in that way by significant amounts.

There has been some misunderstanding about what that reduction has meant. I hope my hon. Friend recognises that we have not deprived local authorities of their capital receipts. We have simply spread the use of such receipts over a longer period.

Within the overall system, local authorities are free to determine their own capital programmes in accordance with local needs and priorities. Lewisham must, therefore, determine its 1985-86 programme in that way. I do not deny that the reduction in the prescribed proportion, and the allocation that Lewisham has, means that the council must take some difficult decisions about priorities. However, those are decisions which Lewisham is better able to take than are the Government.

One must move away from the idea that throwing public money at Lewisham's problems will solve the issues to which my hon. Friend referred. He displayed a keen interest in the idea of getting private sector finance to make faster progress in tackling the problems that he described, and any private finance is additional to the council's allocation.

The council can sell empty properties, either improved or unimproved, and it can initiate low-cost home ownership schemes. If existing council tenants are given access to such schemes, rented housing is then released for those who need it. My Department's urban housing renewal unit, which I shall describe more fully, will be happy to help.

It is crucial that Lewisham manages its stock properly. At the end of March 1984, Lewisham's rent arrears, of almost £6·75 million, represented 21 per cent. of the total rent collectable. In the last few years, not only has the council not increased its rents in line with increases recommended by the Department to take account of inflation, but it has not made any rent increases at all since 1982-83, although I understand that it has recently given notice that there will be a small increase from August. That means that the local authority has been denied resources of which other authorities in London have availed themselves.

From the point of view of other indicators of management competence, on 1 April 1984 Lewisham reported that of the 42,000 council-owned dwellings, 7,000 were difficult to let and 2,123 were empty, of which 637 had been empty for more than a year. I see in his place my hon. Friend the Member for Lewisham, East (Mr. Moymihan), who, I know, has serious reservations about the competence of Lewisham's housing department.

The number of empty properties—5 per cent. of the total stock—must be a source of concern, as is the number of properties empty for more than a year. Recently, my Department issued a circular to all local authorities giving detailed guidance on measures to reduce the numbers of their empty dwellings, and I hope that my hon. Friends will use what influence they have with the local authority to persuade it to adopt some of those initiatives. There has been a substantial increase over the previous year of properties in Lewisham which are difficult to let. The total now represents about one sixth of all the council-owned stock in the borough.

The Government are concerned about the growing number of difficult-to-manage estates in Lewisham and throughout the country. We are worried about rising rent arrears and the number of council houses standing empty. For that reason we have established recently within the Department the urban housing renewal unit to help local authorities tackle rundown estates. The problems of these estates are becoming increasingly varied and intractable and the unit, by drawing on the experience and expertise of local authorities, the housing services advisory unit, the priority estates projects and consultants, will be able to offer expert, independent and individual assessments of local authorities' difficult estates. The unit will be able

also to suggest a package of measures to deal with them and seek to encourage a variety of different approaches, including disposals to the private sector and locally based estate management initiatives.

We have already made an approach to Lewisham suggesting a meeting with the unit. I hope that my hon. Friends will be able to persuade the council to respond positively and to put aside any political dogma in the interests of making real progress with the tenants whose interests both my hon. Friends represent. The unit will help the authorities to maximise private funding opportunities. In addition, it will be able to influence the direction of public sector resources where this proves to be necessary.

The figures that I have outlined of Lewisham's 42,000 stock show that 1,550 units were unfit, that 5,260 while fit lacked basic amenities and that 865 had amenities but needed renovation. This is serious. To get more detailed information on the condition of the housing stock generally and the expenditure that it is necessary to put it into good condition, my Department has written to all housing authorities. Lewisham has been unable to supply complete estimates, but the council has provided some useful information which we are processing along with information from other authorities. At a national level, this information will enable us to get a better understanding of the resources that are needed to tackle the renovation problem and will inform the continuing discussions about the public infrastructure. These discussions are taking place within the forum of the National Economic Development Council.

My hon. Friend the Member for Lewisham, West mentioned improvement grants and the policy adopted by Lewisham council. Local authorities are able to approve discretionary grants in such circumstances as they think fit. They have complete discretion in these matters. They can decide whether to make grants and, if they do so decide, at what rate they should be. At one time we understood that Lewisham was thinking of making no new discretionary grants in the current year. That would be regrettable, because, of almost 50,000 privately owned dwellings in the borough, over 5,000 are unfit, over 1,000 are fit but lack basic amenities and almost 11,000 are in need of renovation. I understand that the council has decided recently to introduce a small discretionary grant programme for special cases where, for example, there is financial hardship. Applications are now being received from disabled residents.

I take up my hon. Friend's remarks about the transferred stock and the position that will arise after 1 April 1986. He referred to the housing that was transferred from the GLC to Lewisham council, which comprised 13,415 units, and the arrangements for renovating these properties after the GLC's abolition. I understand his concern and the concern of those who live in the blocks. There has been a good deal of propaganda from the GLC and its friends implying that the GLC's programme to renovate this stock will not continue after abolition.

Much of the propaganda has drawn a veil over the GLC's track record. My hon. Friend will know that his constituents on the Sydenham Hill estate are alarmed about the poor housing conditions there. The Government's contention is that the boroughs, as the primary housing authorities in London, will be better able to carry through this programme of repairs successfully. Much of this alarmist talk fails to recognise the arrangements that we are to introduce to allow the boroughs to renovate this stock when they inherit this responsibility on abolition.

My hon. Friend referred to some guarantees. I am not sure who gave the guarantees to the tenants of the GLC transferred stock. The Government made it clear that they could not underwrite any GLC commitment to bring the stock to a satisfactory condition by 1992. We have made it clear that the GLC's housing investment programme allocation would be allocated to the boroughs after abolition. The resources will not be lost to London. London's entire housing capital allocation will be distributed among the boroughs, including the share which would otherwise have been given to the GLC.

My hon. Friend suggested that some of the allocations should be earmarked, and my Department is considering this. We have already asked Lewisham and other boroughs to make a bid for 1986-87 which will reflect the responsibilities which they will inherit from the GLC. The distribution of the allocations will take account of the expenditure liabilities. It is also our intention that virtually all the prescribed proportion of housing capital receipts will be distributed in proportion to the housing capital allocations including the receipts associated with the mortgage account.

It may be that the London Residuary Body, which will be responsible for the GLC's mortgage account, will be able to unlock further resources to London by re-financing ex-GLC mortgages. There will be no net loss of resources to London as a result of abolition. The boroughs will have the advantage of receiving those resources directly and accordingly will be able to manage their own programmes according to their own priorities.

My hon. Friend the Member for Lewisham, West spoke mainly about capital. We do not intend that the boroughs should suffer the loss of the revenue assistance which they currently receive from the GLC on the transferred stock. We will ensure that the broad financial effect of these payments is maintained after abolition by adjustment to Lewisham council's entitlement to rate support grant.

These arrangements will cover the obligatory payments currently made by the GLC and will take account of the revenue consequences of future renovation works to transferred stock which would otherwise have fallen to the GLC. It is important to recognise that these arrangements will apply irrespective of authorities' current spending position in relation to their grant-related expenditure assessment or their targets—should we continue to have targets.

I hope my hon. Friend will see that the housing investment programme allocations and the changes made to the capital receipts rules for 1985-86 were essential to ensure that capital spending did not exceed the public expenditure plans and that the level of public sector borrowing was kept on track. In the longer term, we are looking again at the system and at possible improvements. We would like to achieve a better match between our duty to control the overall level of capital spending and borrowing in the national economy and the need at local level for a firm basis for future planning. Consultations with the local authorities have already started.

Within the constraints on resources, the best use must be made of what is available. We are improving our knowledge of the condition of local authority housing stock and the need for expenditure on it. The recently issued advice on empty dwellings and the establishment of

[Sir George Young]

the urban housing renewal unit are positive steps forward as are our proposals for a new approach to home improvement, which were outlined in a recent Green Paper.

My hon. Friend has argued forcefully in support of Lewisham's housing investment programme submission for 1986-87. The council's bid should be with my Department shortly and officials will meet representatives of the council — probably in the early autumn — to discuss the submission in detail. Before the allocation for 1986-87 is made, we shall give very careful consideration to everything that Lewisham council has to tell us and anything that my hon. Friends have to say. Full weight will be given to all the points that have been made tonight, including the need for continuing investment on the former GLC estates. I hope that my hon. Friends the Members for Lewisham, West and for Lewisham, East will use what influence they have to persuade Lewisham council to broaden its horizon and to look at some of the innovative solutions which are already being adopted by other London authorities.

Question put and agreed to.

Adjourned accordingly at one minute to Twelve o'clock.

House of Commons

Friday 12 July 1985

The House met at half-past Nine o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

House of Commons (Services)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Sainsbury.]*

9.35 am

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): The House is indebted to the Chairman of the Accommodation and Administration and Library Sub-Committees, the right hon. Member for Lewisham, Deptford (Mr. Silkin), and the Chairman of the Computer Sub-Committee, the hon. Member for Blaydon (Mr. McWilliam), for the reports that their Committees have prepared and laid before the House.

The fact that the debate arises on the Adjournment will permit a wide-ranging consideration of the issues relating to the work of Parliament and will enable the Services Committee to take account of the views expressed in considering how best to take forward what has been proposed.

I begin with a general observation about the costs of Parliament; it is to those costs that certain of the proposals will have to be related. I say that because Parliament in the main is not cash-limited in its budget and therefore there is need for conscious self-restraint.

The House might wish to reflect on the fact that, for the four years 1981-82 to 1984-85, total identified costs for the Houses of Parliament, excluding MPs' and peers' pay and allowances, rose from £35 million to over £48 million, a rise in cash terms of 35 per cent. In the same period, Members' salaries rose by 23 per cent. and Members' allowances from £10·2 million to £15·9 million, a rise of 50 per cent. Overall, the costs of Parliament, including pay and allowances, rose in cash terms by 38 per cent. in those four years. That was against public spending generally in cash terms having risen by between 25 and 27 per cent. Thus, it is not a question of parliamentary squalor amid public affluence. It is a formidable demonstration of the rising costs of this place.

Mr. Stephen Ross (Isle of Wight): Does that include the costs, including travelling expenses, of Select Committees?

Mr. Biffen: It includes certain aspects of the costs of certain Committees. The compliance cost of Select Committees on Government Departments is not included in the figure and, if it could be assessed, I suspect that it would drive the figures even higher.

Mr. Alan Williams (Swansea, West): To put it in perspective, what was the equivalent cost of living increase over that time? That will show the extent of the real increase.

Mr. Biffen: I shall have that figure by the end of the debate. The real comparison is the rise in the costs of Parliament relative to the rise in public expenditure more generally.

Mr. Cranley Onslow (Woking): Can my right hon. Friend identify, among the compliance costs, the cost of answering parliamentary questions?

Mr. Biffen: I had not briefed myself on that fascinating point. The rise in the number of questions has not been all that dramatic in the recent past. Nevertheless, that is a factor in the rise in costs. That there has been a rise is undeniable, but I think sometimes that if, overall, the rise in the number of parliamentary questions—I say this in the presence of the hon. Member for Linlithgow (Mr. Dalyell)—is modest, at least he has done his best to see that it is on a rising trend.

Mr. Tam Dalyell (Linlithgow): The cost is decreased if the questions are answered truthfully. There are two types of question—very costly requests for statistics, and questions on matters of policy. Most of my questions have been policy questions, which means that Ministers actually need to use their brains to answer them, rather than extremely expensive statistical questions. If and when I ask for statistics, I ask for them to be given if they are conveniently available.

Mr. Biffen: I do not think that it would be helpful to get into the more metaphysical aspects of parliamentary questions, but the hon. Gentleman makes a wholly valid distinction. The House will have to consider whether the facilities increasingly available through the Library POLIS arrangements can replace much of what would otherwise be available through Government Departments as a possible means of making savings.

I had no idea that my casual, tentative, almost anodyne observations about the cost of Parliament would release so much passion so early in the debate. In view of the pattern of rising costs, it behoves us all the more to be vigilant, especially as the future development of the Bridge street site is likely to have a considerable impact on the costs of Parliament.

The report of the Computer Sub-Committee on Members' requirements for information technology recommends a computer system for Members' use to provide word processing facilities, an electronic mail system and access information services such as Ceefax, Oracle and the Library POLIS system. The system would be phased in over four years and would necessitate recabling throughout the Palace and the outbuildings. In the final phase, the annunciator system, which will also require recabling, would be added to the new cabling network. The Sub-Committee acknowledged in paragraph 84 that those two reasons for recabling were related by proposing the integration of a new annunciator system into the local area network. The first phase of implementing the Sub-Committee's recommendations would include a pilot project involving 36 Members to see how the facilities might be used.

At a time when we are still at the planning stage of the new parliamentary building, it is particularly helpful that the Sub-Committee has identified the possible information needs of Members. Some Members feel that the development of parliamentary outbuildings should be used so that the Palace itself is primarily reserved for Members

[Mr. Biffen]

and staff are accommodated elsewhere. In those circumstances, a Member's ability to communicate quickly and easily with his staff located in another building will be especially important. I note that the recommendation in the report would facilitate that communication and I am sure that many Members will show great interest in that.

The other dimension to the development of the Bridge street site is financial. In approving the Third report from the Services Committee in 1982-83 on phase 1 of the new parliamentary building, the House committed the Government to substantial capital expenditure. At present, although we may estimate the costs of this, we cannot be sure. I suspect that our estimate will be too low and that unforeseen expenses will arise. We therefore need to be cautious about committing ourselves further financially.

Mr. Dafydd Wigley (Caernarfon): Does the right hon. Gentleman agree that it would be criminal not to build in at this stage all the foreseeable developments required for the next few years rather than having to put them in at infinitely greater expense a few years after the new building is completed?

Mr. Biffen: The use of the word "criminal" shows the exaggerated emotion attending this subject. I am concerned to put before the House the challenges contained in the report by the Sub-Committee. The timing of these matters is vital and must be related to the plans of the Department of the Environment and the Property Services Agency for the building work and the rewiring of the annunciator system. To put in a whole range of sophisticated equipment ahead of time in the hope of achieving cost savings in a fast-moving area of development runs the risk of the equipment becoming obsolete in a very short time. I am not taking one view or the other. I am simply saying that Members must treat this subject with as much care, caution and prudence as if their own money were at stake.

We also cannot look at the costs of implementing these recommendations by comparison with future expenditure alone. Here I must sound two notes of caution. The first concerns the place of the annunciator system within the scheme proposed by the Sub-Committee. I understand that the present annuciator system is within five years of the end of its natural life and that installing a replacement system would mean recabling the whole Palace. In planning the recabling, it clearly behoves us to take into account the prospect of installing computer terminals in Members' offices and to choose the cabling and layout accordingly.

That does not mean, however, that we need to install the computers themselves as the recabling is carried out. Provided that the capacity is there, we can build the computer facility into the system at a later stage. Indeed, I very much hope that the next development will be discussions between the Services Committee and the Department of the Environment. I know that my hon. Friend the Under-Secretary of State for the Environment will be keen to see what common interest can be established in developing a new wiring system both to serve the next generation of annunciators and to provide terminals for the provision of a computer system able to respond to Members' needs.

My second point in this connection also concerns costs. The total cost of implementing the report's recommendations is estimated at slightly over £5 million, but that figure does not include costs which cannot be accurately gauged at present. Those unquantified costs include the building work associated with the recabling. Given the nature of the Palace and the need to protect the fabric of the building, Members will appreciate that these may well be substantial.

I conclude my remarks on the report of the Computer Sub-Committee in a spirit of gratitude for its work, matched by a belief that its proposals must now be tested against available financial resources.

In the report on research assistants and the growing demand that they make on the facilities of the House, the right hon. Member for Deptford expressed the concern that the number of passes issued to Members' staff had risen by 23 per cent. in the past 10 years to a total of 1,061 in May 1984. That concern prompted the investigation and led to the recommendations in the report. The report recommends that no more than 150 passes per calendar year and no more than 50 at any one time should be issued to temporary researchers from overseas who will be here for less than four months. Otherwise, temporary research assistant passes should be issued only if the Member undertakes that the individual in question will be employed for more than four months. Those who do not qualify in either of those categories should be issued with a temporary secretary pass and should no longer be able to use the branch Library either in person or by telephone.

Mrs. Ann Clwyd (Cynon Valley): Does the right hon. Gentleman agree that many temporary assistants and researchers are unpaid or low paid? Does he further agree that hon. Members have many more than are necessary but, if they had proper secretarial and research allowances, there would be a reduction in the number of such unpaid and low-paid assistants?

Mr. Biffen: It is attractive to make the proposition that yet more allowances for Members of Parliament would result in fewer research assistants. Many of the research assistants who come within that category are brought here for other reasons and I suspect that, even with greater allowances, the problem would remain. I note what the hon. Lady says and I look forward to hearing her speech, but I have a feeling that what she said could engage the comments of the right hon. Member for Deptford, who has looked into this matter a great deal more deeply than I have. I must admit that I am somewhat cynical about the supposition that increasing allowances would result in a diminution in the number of low-paid or unpaid research assistants.

Mr. Simon Hughes (Southwark and Bermondsey): Does the right hon. Gentleman agree that the present system means that hon. Members with other financial resources can get much of the work that they need done without reliance on facilities and employees here? Does he agree that the system therefore discriminates according to the income of hon. Members, which is unfair? Does he agree that, if British education institutions regularly and routinely supplied people as part of their course, we should not need students from overseas? As long as those overseas students come free and British people cannot

afford to work for nothing, we are bound to look for assistance where we can get it without having to cough up for it.

Mr. Biffen: I am reasonably relaxed about all this, but it is not my report. I knew the House of Commons before we were flooded with research assistants, and Governments had a rougher, tougher time then. The idea that, to do our job, we must be buttressed by a growing army of well-paid or unpaid research assistants is just one of the current fashions. There may be many arguments about how we might have to add to the facilities for Members of Parliament and I am happy to hear the debate, but we are discussing a report prepared by the right hon. Member for Deptford and his colleagues and I suggest that we should proceed in that context. I am listening in a spirit of good nature, but I am not bowled over by the proposition that the good work of the House rests on an amplitude of research assistants.

Mr. Clive Soley (Hammersmith): When, on 3 June, the right hon. Gentleman replied to the hon. Member for Leicester, East (Mr. Bruinvels), who suggested that all hon. Members should have one research assistant who should be paid, he said:

"My hon. Friend makes an interesting point, but perhaps it would be better elaborated in the debate that has been promised on the second report of the Services Committee, dealing with research assistants."—[*Official Report*, 3 June 1985; Vol. 80, c. 17.]

Since that is this debate, will the right hon. Gentleman now elaborate on whether he agrees with his hon. Friend?

Mr. Biffen: No. I am anxious to hear my hon. Friend elaborate a sentence into a speech. When I have had the advantage of that, perhaps I shall be able to reflect the better.

Although adopting these recommendations would check the growth in the number of temporary researchers from overseas, it would have little effect on other groups. The report does not attempt to interfere with an hon. Member's right to engage staff. That is understandable, as there is nothing new in Members being assisted by researchers and no such restriction has previously been thought necessary. In the light of the arguments that have preceded the debate, however, I feel that the recommendations do not entirely allay the anxiety about the number of staff employed by individual Members.

The pressure on the Library and other facilities could be lightened significantly only if more restrictive controls on the number of staff were accepted by the House. We have had some suggestions about how that might be done. As the debate proceeds, the House will be able to judge the whole issue and whether it merits further consideration. I am sure that the right hon. Member for Deptford will be marking concern on this matter and I strongly hope that his Sub-Committee will consider any anxieties that are expressed today. Suggestions for a further restriction could proceed only when there have been widespread considerations by the appropriate Sub-Committee of the Services Committee and when the House is clearly sympathetic to any recommendations it makes.

The main theme of the debate is the desire of hon. Members to use efficiently the resources at our disposal to serve constituents. Both reports deal with how that might be achieved, though in different ways. The report of the Computer Sub-Committee suggests means by which information can be more readily accessible to hon. Members and communicated more efficiently. The report on research assistants exposes the problems that can arise from the pressure which their conscientiousness can put on finite facilities. The questions that it raises and the solutions that may be proposed deserve our further attention, and I have no doubt that we shall return to them. Meanwhile, I hope that the House will have a constructive and informative debate.

9.56 am

Mr. Alan Williams (Swansea, West): I also thank my right hon. Friend the Member for Lewisham, Deptford (Mr. Silkin), my hon. Friend the Member for Blaydon (Mr. McWilliam) and the members of their Committees for the work that they put in to prepare these reports.

There are already too many ill-informed critics who are eager to denigrate the House of Commons by overstating its cost to the community, and it might have been better if the Leader of the House had quoted the real costs rather than the inflated costs in regard to the past five years. Inflation accounts for probably half of the increase that the right hon. Gentleman announced. The right hon. Gentleman's experiment—Select Committees—which I welcome, as they have been a success, account for part of the 38 per cent. increase. The increased cost imposed by the average hon. Member in the past five years is therefore fairly modest.

I was fascinated to note that the right hon. Gentleman, who is usually so urbane and controlled, managed his only moment of passion when he harked back to the good old days of his parliamentary youth. I am sure that we all want to accommodate a more up-to-date attitude. What the two studies reveal goes far beyond their remit. They reveal the three areas of inadequacy that we have all come to expect — inadequacy of accommodation, inadequacy of staff facility and resource and the almost non-existent support facility.

The Leader of the House mentioned the 23 per cent. increase in passes for members of staff. As the report states, our discussions are trammelled by the fact that we shall not have much more accommodation before 1990. Therefore, we must consider the present accommodation in the Palace of Westminster. We all recognise the pressure that our present problems have put on the Library, the photocopiers and even the catering facilities in the House.

However, most anxiety has been expressed about the short-term overseas interns, as they are described. I do not believe that the House has faced the problem that the increase in such research assistants reveals. Does it disguise a real need for more resources, as I believe is the view of my hon. Friend the Member for Cynon Valley (Mrs. Clwyd), and is it a cheap way of avoiding a resolution of the real problem by using ill-equipped amateurs, insead of professional researchers, to provide information? We have ignored the question of how we should allocate, among Members, this marginal accretion of our research resources. Many hon. Members may not want overseas students to help them. I would rank myself among those, because I am too lazy to discipline myself to make proper use of them.

While those extra resources remain available, we should turn our attention to ensuring that they are fairly allocated among hon. Members. They should not be allocated on a personal dispensation basis. If passes are to be rationed to 150, the decision as to who should have

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those passes should not be left to a couple of people, although I appreciate their difficulties and do not criticise them in any way. If we follow the report's recommendation, as I believe we must, we shall put the disposal of those 150 passes not in the hands of a Committe of the House or of the institutions which provide the assistants, but in the hands of one or two Back-Bench Members who, for the best of reasons, organise the courses that bring those students to Britain. We are not only disguising a deficiency in the facilities that are available, but we are in danger of perpetuating an arbitrariness in the way in which we allocate those part-time, ill-equipped researchers.

Mr. James Hill (Southampton, Test): I was approached by outside sources to take on a part-time researcher from America. The small print at the bottom of the letter said that, as a Member of Paliament, I would receive an honorarium of £150. Has the right hon. Gentleman come across that practice?

Mr. Williams: I have not, but it is interesting. I have no doubt that my right hon. Friend the Member for Deptford will have come across it in his investigations, and he may care to observe on the effect of that in his speech.

Mr. Barry Sheerman (Huddersfield): Would my right hon. Friend allow me to correct a wrong impression that seems to have gathered pace in his comments and in the comments of the Leader of the House? Hon. Members on both sides of the House have worked hard to make the opportunity of working as interns to Members of Parliament available to British students. Programmes at Leeds university and the City of London polytechnic, in which I have been involved, enable British students to work here. They are working here in increasing numbers and are largely replacing students from overseas.

Mr. Williams: I shall deal with that point later in my speech. I recognise the role that my hon. Friend has played in trying to interest British universities in taking up this facility, should it continue to exist.

If the use of such interns disguises a real need, the House must decide whether that is the best way to deal with it. Are we simply providing training for students from institutions to which the House has no commitment and no obligation? It is an arbitrary allocation of a highly valuable benefit, which is no doubt used as an inducement by the institutions to which the facility is made available. Hon. Members who have had such students working for them say that they are pleasant, industrious and willing to help, but they also say that they have often had to provide a tutorial role and have had to spend much time finding work that the students can do.

If we are saying that the House exists as an adjunct to a few American universities, so be it. But I agree with my hon. Friend the Member for Huddersfield (Mr. Sheerman) and with the hon. Member for Southwark and Bermondsey (Mr. Hughes) that we should try to ensure that such a valuable training facility is offered first to our universities. The fact that we must employ overseas students highlights an inadequacy in our universities, not a lack of industry on the part of those who organise such courses. As my hon. Friend the Member for Huddersfield explained when I discussed the matter with him, British universities do not have the modular system adopted by the Americans, and it is not so easy for their courses to be structured round long visits to the House of Commons. If, as the report envisages, we continue to allow such temporary access, I believe that British colleges should be made aware of the fact and should be invited to put forward propositions for accommodating their students within the system. We should not allow it to continue as a perk to a few American colleges to which we may be indebted for the free service, but to which we have no obligation.

The fact that I have no expertise in and limited knowledge of information technology is rather sad, since I was the Minister responsible for the microprocessor application programme in industry. However, when I talked to top industrialists about the application of information technology, my inadequacies were largely concealed by their ignorance. The House of Commons is still at the abacus stage in its application of information technology to back-up facilities. Such technology offers us not just the facilities of the great universities, but information storage and retrieval at unrivalled speed.

I was astonished by the comments of the right hon. Member for South Down (Mr. Powell) this morning. I thought that since he had seen fit to give his opinion to the nation, he might have condescended to do the same for the House. I have never heard such twaddle as I heard him speak this morning on the BBC. There he was—the great intellect—sitting and thinking great thoughts. He said that we do not need researchers and that he is against all this nonsense. He said that the role of a Member of Parliament is to point out to the Government what they said previously and to show how that is inconsistent with what they are doing now. He said that hon. Members need all their time to think, and seemed to believe that it was inconsistent to do that and to have research assistants.

Mr. Dalyell: Remembering that it is 12 July, I wonder whether the right hon. Member for South Down (Mr. Powell) is marching with the Orange bands.

Mr. Williams: Such an activity would match the intellectual content of his performance this morning. If one followed the logic of the right hon. Gentleman's comments, one would go to university, sit one's final exams in the first week, and then study for the next three years because one's great thoughts should not be trammelled by information or by data. It was a most absurd, damaging and irrelevant contribution to the subject.

Our trouble is similar to that of industry: we are dealing with unprecedented rapidity in the evolution of technology. Nearly every product that comes on to the market is obsolescent the moment it appears. Its successor is already on the drawing board. Industry finds there is never a right time because there is always something better around the corner, and does not know what is the best time and place to carry out major investment.

We are perhaps fortunate in having a decision imposed on us by the need to turn our attention by 1990 to the new parliamentary building. That is a critical element in our considerations of the type and range of facilities we offer and when we offer them. Most of the population of the same age as the average Member of this House is blind about the new technology. There are people like my hon. Friend the Member for Blaydon who are very knowledgeable and can do their own programming and do everything required to make full use of these facilities. But

that is not the case for the average Member or even for the majority of Members of this House, nor is it the case in much of British industry. Industry buys the equipment that is able to use the technical resources now available.

In a way, that relates to the other report. If we are to have the information technology facilities envisaged by my hon. Friend—and I am not suggesting that should not happen—it may be that the introduction of the new technological resource will add to the pressure for back-up staff who will be able in the short term to help Members make use of the new information facilities available to them. I suspect this problem will gradually disappear. We have to plan for new generations and this is where 1990 becomes relevant. At successive elections a new generation of Members will be increasingly at ease with the new technology and will not need such back-up support from staff. They will automatically expect the availability of the new technological resource within their workplace.

Mr. Soley: I support what my hon. Friend has been saying. I have had an Apricot computer for just over a year and have found out, not surprisingly, that my PA and researcher use it more frequently than I do and to good effect, and that is very helpful to me.

Mr. Williams: If my hon. Friend had a 13-year-old son or daughter, as he might have, he would find that child using it even more than any of his assistants and utterly at ease with it. It may well be that what we need for the average Member in the short term, as the report touches on, is the word processor with memory and so on. That would make an enormous difference to the way in which many of us carry out our work. We then have to plan further ahead for the correct facilities. Because 1990 is the deadline, in the interim period we should be looking for the minimum capital investment or commitment, so that we can put the latest state of the art into the new building. In the interim period we should have the minimum fixed capital equipment needed to enable Members to obtain the data they require.

I am not in favour of imposing on Members a choice of equipment. When eventually a facility is available it must be for the Member to decide whether he wants his system to be compatible with the system operating here. It would be wrong for the Fees Office to say, "What you intend to buy is not compatible and will not be admissible". On the other hand, it would be a foolish Member who bought equipment that was not compatible with the system introduced into the House.

Mr. Wigley: On this matter of compatibility, will the hon. Member accept there is a need to consider it not only in the context of the Palace of Westminster and the new building, but also bearing in mind that some Members have their own installation in their constituencies? I have a £7,000 installation which my partner was good enough to invest in to support our work on a parliamentary level. There must be compatibility with the constituencies, and that means linking a telephone line into any system here.

Mr. Williams: That is correct. Whatever decision is ultimately taken on any system will be wrong, because any system adopted here will be transient and that is a result of the nature of technology. Whatever system is adopted here will impose a discipline on each Member, both in terms of his constituency activities and his House of Commons activities.

The new building will give us a focal point in time to which we should relate. My hon. Friend recognised this in his report and the Leader of the House also recognised it in what he had to say. We should not make our decision on the basis of intimidation through ill-informed comments from the press about expenditure. In fact, we are talking about relatively small sums of money in national terms, as I intend to show.

The two reports reveal the appallingly low level of expectation here as compared with comparable parliamentary institutions, or even certain major local government institutions, within this country. We should bear in mind that we are talking about facilities not just for 640 Members, but for a Parliament legislating for 55 million people. When we assess the cost it is not just the cost divided by the number of legislators. One has to recognise that Members of Parliament are the main channel, on behalf of their constituents, for dealing with abuses and they are the main channel of access to Ministers. Therefore, the cost has to be seen in terms of the whole country and the facilities that Parliament provides for the country, rather than as a per capita benefit for individual MPs.

If we take note of ill-informed criticism it will not be just our loss; it will be our constituents' loss. It will also be Parliament's loss because, unlike the Leader of the House, while I recognise that Parliament has always had its phases of effective operation, it is possible to improve upon the effectiveness of Parliament and the quality of our operations here. Take, for example, the simple situation which happens many times a week—the presentation of statements to the House. We get approximately three hours notice and the average Member has no prior knowledge of what is to come. He does not have the benefit the press has, and an Opposition Member has about one hour's advantage if his opposite number is generous enough to ensure that the copy arrives on time.

Parliament needs to respond quickly, and it is no good saying, as the right hon. Member for South Down said in his radio contribution this morning, that Members should go to the Library to get the information they need. If we tried to form a queue at the Library on every statement to obtain the information we feel we might need in order to deal with each statement, the queue would be substantially uncatered for and the statement would be completed.

Mr. Sheerman: Is my hon. Friend aware that there are 18 researchers in the House of Commons Library for 650 Members? Is he further aware that in a Select Committee a succession of evidence is presented by major Departments, and my own experience of three years in the Public Accounts Committee was that one needed some research even to know what penetrating questions to ask?

Mr. Williams: That is exactly right. My hon. Friend reveals what most of us accept. Considering that there are only the 18 staff, what is remarkable is the quality of service that they manage to provide. Whenever I have asked the Library for information, I have always been astonished by the willingness and speed with which the staff have attempted to obtain it for me.

Mr. Onslow: With respect, the hon. Gentleman is on a false point. By their very nature, statements in the House attract the attention of hon. Members who specialise in the subjects concerned, and they can be expected not to need to go back to square one and research. It would be unreal

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to suppose that every hon. Member should be armed with a brief covering the subject dealt with in a statement when, apart from anything else, we all know that only a small number of hon. Members with an interest in the subject are likely to be called to make an instant reaction to a statement.

Mr. Williams: I ask the hon. Gentleman to think back to his Shadow days, for example. In general, the role of the Chairman of a specialist Committee and the role of an Opposition Front Bench spokesman is to have as much information as possible relating to the work of the relevant Department. Even so, any Department is so wide-ranging in its activities that to have such information is incredibly difficult. I ask him also to remember that Front Bench spokesmen get an hour's notice of what is contained in a statement and can ensure that their response is relevant to what the Minister says in his statement. The Back Bencher has no prior knowledge of the contents of a statement and is at a grave disadvantage. Speedier access to information would be of great value to him.

I think that I have made the points that I wanted to make in a debate that is not intended to reach decisions. I wanted to throw in a few random thoughts on both aspects. The reports are useful but, by the Committee's remit, are too restricted to cater for the solution of the problems that they tend to reveal. They reveal that hon. Members still need proper office and secretarial facilities in their constituencies. They still need proper office, research and secretarial facilities in London. We have not even addressed ourselves to how we ensure proper and adequate communication between this Parliament and what is happening in the European Parliament.

10.23 am

Mr. Cranley Onslow (Woking): I am rather surprised that the debate is taking this form, because I had a feeling that it might have been more constructive if we had had an opportunity at the outset to hear from the Chairmen of the Committees which produced these reports rather than having to put a number of questions to them and then, in the light of their replies, possibly come back to them. As it is, I fear that the form the debate is taking may handicap earlier speakers, because we want to hear from the right hon. Member for Lewisham, Deptford (Mr. Silkin) and the hon. Member for Blaydon (Mr. McWilliam) about their reports.

Mr. John McWilliam (Blaydon): The hon. Gentleman should not make the mistake of assuming that only the Chairmen of the Committees are capable of explaining the reports. The other members of the Computer Sub-Committee are here and are more than able to explain what is proposed and so enable hon. Members to make up their minds before I reply to the debate.

Mr. Onslow: I congratulate the hon. Gentleman on his modesty, but I should still like to hear from whichever of his colleagues he thinks is better able to present the report before I make any critical remarks about it. We are forced into this position, and I do not think that it will improve the structure of the debate.

I agree with my right hon. Friend the Leader of the House about the need to be cautious in committing ourselves to future expenditure and about the imperative of treating the money involved as if it was our own. There are tests of cost effectiveness and value for money which need to be applied to both reports and which I hope to outline briefly.

I am surprised by some of the presentation of the argument on temporary and unpaid research assistants. I regret the importation of this curious word "intern". If there was an accurate description in English which we could recognise, it might be "casual apprentice". "Intern" carries with it an implication of expertise which almost by definition these people do not have. They come here to learn. They come here to be taught. Some hon. Members are fortunate enough to be offered a small fee for teaching them. But the right hon. Member for Swansea, West (Mr. Williams) put his finger on it when he admitted that he is too idle to discipline himself to make proper use of them —in other words, to teach them what they should do.

I do not see this place as pre-eminently or even peripherally an institute of higher education for undergraduate aspirants to the world of politics — *[Interruption.]* I am not interested in their nationality. Anyone who wants to learn about politics can find better places in which to do it than the House of Commons.

Mr. Sheerman: That is an interesting thought.

Mr. Onslow: At least it has got the hon. Gentleman thinking.

I wish to ask one fundamental question about the report on information technology. Why is it presented to us without the methodology? Where is chapter 1 of the report? In trying to analyse the value of the report, I wanted to see on what it was based, how large the sample was and what questions had been asked of the hon. Members who contributed to it. The only enlightenment that I could find is contained in page 3 of volume II:

"Chapter One outlines how we conducted the study."

It goes on to admit that

"the sample is biased towards those more favourably disposed toward the use of Information Technology."

Turning back to the list of the contents, I see:

"Chapter One: survey of methodology [Not printed: summary only]."

That is a pity. If I were a director of a company which had a report submitted to it recommending major expenditure of a significant kind, and the people putting it up said, "We shall not bother to show you the methodology because you will not understand it," my reaction would be, "I am sorry, but I need someone else to advise me. I am not prepared to take this advice on trust."

Mr. McWilliam: I am certain that an hon. Member of the hon. Gentleman's experience knows that those papers not printed in reports are made available in the Library. He can gain access to them any time that he likes.

Mr. Onslow: But what consolation is that to members of the public who want to see the basis on which we make our report? I am sorry, but that will not do.

In reading through the report, I tried to deduce how many hon. Members had made an input to it. I can find only eight besides the hon. Member for Blaydon and his colleagues on the Committee. I do not regard that as a representative sample of opinion or experience in the House, and the report is fatally flawed as a result. All its recommendations and findings on the needs of Members of Parliament and the justification of the costs are open to

question on those grounds. That is why I should have liked to hear the hon. Member for Blaydon present his report. I should have liked his answers to those questions before I was obliged to make my remarks.

Looking through the report and trying to find the justifications in it, I am further disappointed. We are told on page vii:

"institutions outside the House are busily embracing this technology as a business standard."

It adds that the House will need to keep up with such advances if it is to play its full political role:

"The growth of statistical data available and the mass of other information with which all Members must deal makes the speedy introduction of an effective information technology system of vital importance."

There is a tremendous dialectical leap there. It is a major non sequitur. I can put it best by saying that we are not a business organisation. Hon. Members, for whatever reason they come here, may make policy decisions, but they do not make executive decisions. Therefore, we have no need for the type of information which in business is essential to good executive decision-making.

Nor has it ever seemed to me to follow that the more information available to anyone, the wiser he becomes. There is no necessary connection between those two states. No doubt there are some hon. Members who benefit from having more information. However, a mass of information presented to me does not necessarily make me any more competent in my judgment.

Mr. Soley: That is a rather silly argument. Of course an hon. Member can be flooded with information and use it badly, but if the information is well analysed he tends to use it better. If we follow the hon. Gentleman's argument to its conclusion, we end up banning schools because it is obvious that any education is bad.

Mr. Onslow: I do not think that the House should concern itself with education. The hon. Gentleman's intervention does nothing to rebut my argument that the processes which are appropriate to business do not apply to the House. We have certain quite different functions and needs. To apply the business analogy is to mislead the House. I have nothing against word processors. I have a daughter who teaches people to use word processors, and I regard them as a very useful tool, but I do not believe that the advantages set out in paragraph 16 on page ix are so compelling as to justify all the expenditure that is outlined there. A rapid response to constituency inquiries does not depend upon the possession of a word processor by an hon. Member, if the information required needs to be obtained from a Ministry or a local authority. Having a word processor on one's desk would do nothing to speed up that process.

Mr. Simon Hughes *rose*——

Mr. Onslow: I shall not give way to the hon. Gentleman, because I have a great deal to say.

We should not kid ourselves that this is a significant advantage and that it will improve our performance. Nor do I think that effective cross-indexation systems or access to wire services are so important as to justify massive expenditure, even though it might enable the hon. Member for Hackney, South and Shoreditch (Mr. Sedgemore) to get the cricket scores without having to take his pocket television set everywhere with him.

The report contains a certain amount of disproportion, which is not surprising, because it is pre-eminently written by the producer side of the information technology business. The user side has not come across as effectively as it might. That is no doubt the fault of the House, because the number of hon. Members who responded was relatively small and largely confined to those who are specialists in information technology and extremely interested in using it. I doubt very much whether that applies to all hon. Members.

Mr. Williams: Does the hon. Gentleman agree that when deciding who should take part in the pilot study it is important to include not just the computer "buff", but a fair cross-section of hon. Members?

Mr. Onslow: It is essential to do that, and I should have thought that it was self-evident. I am glad to have the right hon. Gentleman's support. The pilot study might also show that the number of hon. Members now in the House and those in future Parliaments who might wish to use information technology remains a very small proportion of the total membership and that the need for which provision must be made is very much less in both cost and physical terms than has been suggested. It is possible that the provision of information technology facilities for 20 per cent. of all hon. Members might meet all forecastable needs. We need to find out about that before we spend large sums of money. That would be done in business, and in our continuing approach to the subject I hope that we shall be thoroughly businesslike.

Mr. Sheerman: The hon. Gentleman says that Members of Parliament should be allowed to have the facilities that are useful to them rather than that we should impose upon all hon. Members the responsibility of moving parliamentary neanderthal man into the high technology area. He is only saying what many Members of Parliament have said for some years, which is that hon. Members need to operate in the way that suits them best.

Mr. Onslow: Of course, but the argument in the report is that provision should be made for high technology on the same scale as when the new office buildings were provided. A large number of filing cabinets and expensive shelves and cupboards were installed, which most hon. Members do not use, so we ought to relate supply to the perceived demand, which I submit is very much smaller than the report suggests. All hon. Members work in different ways. There is no typical Member of Parliament. Every hon. Member should be free to organise his life in what seems to him to be the best way. We should not force technology upon Members of Parliament if they do not want it.

Dealing with the report on research assistants, I should have liked to ask the right hon. Member for Deptford who chaired the Sub-Committee whether, in his opinion, the opinion sample taken was adequate. As far as I can see, he received only 15 replies to the invitation to make a contribution. If that is the full extent of the input of hon. Members to these findings, I cannot accept the proposition that that is an adequate sample.

The report does, however, contain one interesting piece of statistical information, even though I suspect that it is now out of date. It relates to the number of secretaries and research assistants employed by hon. Members in 1984. It is to be found on page 4 of the minutes of evidence. The most significant statistic is that over 400 hon. Members do their job satisfactorily with the assistance of only two staff

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—presumably either two secretaries, or a secretary and a research assistant. That is the kind of factual evidence upon which some of the conclusions in the report ought to have been based.

Mr. Robert Key (Salisbury): It is important to bear in mind that when the report refers to two secretaries or to two research assistants it very often means half a secretary and half a research assistant. That is all that one can possibly afford.

Mr. Onslow: I am not aware that the report establishes that these figures are resource limited. I see no evidence to that effect, nor do I see any evidence of whether the hon. Members who figure in the returns employ secretaries who do not possess House of Commons passes but work in the constituencies. We are concerned with the pressures on facilities in this building and the reasons for those pressures. I should have liked research to be carried out into the number and work load of research assistants and secretaries who are employed by the 100 or so hon. Members who need three or more of these people. I should like to know why those hon. Members feel that they need those resources. Sampling on that basis would have told us much more about the decision that we need to make. That decision will demand either the provision of more facilities, or the limitation of access. The burden of the report is towards limitation of access, for reasons which I think are sound, but the report's recommendations do not go as far as they might.

Mr. Simon Hughes *rose*——

Mr. Onslow: No, I have given way several times.

If further work had been done, it would have been possible to break down the requirements to the point where the solution could have been seen more clearly, but already there is evidence to suggest what the solution is. Most hon. Members do their work with two staff. Why, therefore, should increased pressure be put upon the facilities of the House in order to accommodate those other Members of Parliament who, for reasons which we do not know, feel that in some cases they must have up to six research assistants or secretaries with passes which give them access to parliamentary buildings?

Most hon. Members to whom I have spoken would settle without question or dissent for the proposition that any Member of Parliament should be free to organise his support staff as he likes and to employ them where he likes, but that it would be fair if access by his staff to this building were limited to two, which would enable one secretary and one research assistant to come to Parliament, if they wished. Why should the others? What is the need? Where is the requirement? It is not clear to me, and it does not seem to me to follow from the report. I hope that in due course my right hon. Friend the Leader of the House will put down a motion to that effect. It might do a great deal towards helping to solve that part of the problem. Even if it were arbitrary in its application, it would correspond to the majority need and would be seen by most hon. Members to be fair.

Another clearly perceived problem about research assistants involves their interests. The subject is dealt with in the first report from the Select Committee on Members' Interests. In considering the limitation of access and the accreditation of research assistants to hon. Members, we should also accept the Select Committee's recommendation:

"We recommend that the holders of permanent passes as Members' secretaries or Members' research assistants be required to register any gainful occupation which they may pursue other than that for which the pass is issued, and that a copy of the Register should be placed in the Library."

Research assistants who are given passes include people who are not really working for hon. Members, they are working for themselves, I pass no value judgment on their work, but they do not work for hon. Members. They may be working for a body like Age Concern or for a commercial organisation. Those facts should be known and I suspect that my proposed limitation would do much to reduce the number of research assistants in the House working for charities or commercial organisations. I believe that that is a desirable objective and I shall be interested to hear the views of my right hon. Friend the Leader of the House.

The other matter that arises from the report of the Services Committee is security. This subject is not wholly within the Committee's remit, but it was appropriate for it to be raised. The pressure on facilities must create security problems. Those who are responsible for security arrangements become overloaded, as do so many of our other facilities, including catering, photocopying and so on.

It is important that the House should note that aspect. It is accepted that photo passes are necessary for all those except members of the public who come here only occasionally and for private purposes. Has consideration been given to requiring everyone except hon. Members and staff of the Departments of the House to wear their passes? It is common practice in commercial organisations for passes to be worn, to enable people to be identified and their reason for being in an office to be known. If that possibility has been considered and rejected for the House, I should like to know the arguments that were used. If the idea has not been considered, I hope that it will be.

Many of my colleagues believe that we need to exercise much more self-discipline in the burdens that we impose on this building and in our demands for resources and the expectations that we arouse among our staff and others. Until we appreciate that fact, we shall not be able to come to terms with the facilities which it is reasonable to expect the taxpayer to give us.

10.44 am

Mr. James Tinn (Redcar): When we show visitors round the House, we usually show them in the Princes' Gallery the model of the Palace of Westminster as it used to be and tell them how the belated action by the Treasury of getting rid of wooden tally sticks and the false economy of using them as fuel in the boilers of the House of Lords resulted in the pipes overheating and most of the building burning down.

I am glad that that happened, because I suspect that if it had not the Leader of the House would have been telling us today how desirable it was that we should have a new building, but that there was a lot of public opposition to the idea of a tower with a clock at the top and that, in any case, we could not afford it now. That is the substance of the Government's response to the Select Committee's report, and it is disappointing.

Politicians have endlessly lectured industry about the need to modernise. Industry is at least trying to catch up.

but we are being discouraged from setting an example. We lead the world in the use of computers in our schools and we have every right to be proud of that fact. Children at primary school can grapple with the complexities of computers. Are hon. Members so technologically illiterate that we cannot use them?

There have been criticisms in the press about our proposed expenditure. I cannot think of any section of the community that is less qualified than the press to criticise others on this matter. Where the press has high technology, it does not dare to use it and most parts of the press do not have that technology and do not even aspire to acquire it. If we are foolish enough to take advice from the press, I hope that industry, commerce and the rest of the country will not do so.

I had the pleasure of serving on the Computer Sub-Committee and we spent many hours taking evidence, not only from hon. Members who were good enough to make thoughtful and detailed contributions to our consideration, but from a wide range of people from outside, including users, suppliers, designers and programmers of equipment.

The hon. Member for Woking (Mr. Onslow) mentioned the comparatively small number of hon. Members who gave evidence to the Sub-Committee. The small response was understandable, bearing in mind that only a small number of hon. Members were acquainted with computers. That number is growing quickly, but when we started our deliberations few of us had a great contribution to make. I learned a lot not only from other hon. Members, but from the evidence of outside witnesses.

I think that my colleagues on the Sub-Committee will agree that we were impressed on our visit to the Canadian Parliament where we saw the installation of a system which we believe to be relevant to our needs in at least two ways. The Canadian Parliament suffers, as we do to an extent, from having its functions dispersed over a number of buildings. Indeed, it is probably even more inconvenient for the Canadians, given the Canadian winter and the problems of communication and keeping in touch are particularly difficult. Many of us also have to do much of our work at our desks, quite a distance from the Chamber and the centre of activity.

The second way in which the Canadian system is relevant to Westminster is its comparatively low cost. Clearly, shrewd and efficient bargaining had taken place between representatives of the Canadian Parliament and various contractors, particularly in the cabling of the system. The original tender was rejected and the work was carried out at a fraction of the first estimate.

I became interested in this subject three years ago when home computers were first coming on to the market. I believed that they could be used for Members' purposes. Since then, I have been experimenting with my work stations at home and in Parliament based on the BBC micro.

The Leader of the House has rightly said that we should be as careful with public money as we are with our own. I assure him that I and a number of other hon. Members spend a fair proportion of our own money on these activities. We do not complain about that, but we certainly have not been squandering our own or taxpayers' money.

For the benefit of any hon. Members who may not have a great experience of using computers, I shall briefly refer to the purposes for which I am using my system. Its word-processing application is of overwhelming importance. It is a delightfully speedy process. I find myself writing more letters because it is easier to explain a difficult point as the words are printed on the screen almost as my mind conceives them. Consequently, I am using this facility more and more, rather than depending on my secretary. The computer is useful to write letters to my constituents, and to compose speeches and press handouts.

My computer system has useful fringe benefits. I have developed a program that enables me to call up a large number of addresses, not just alphabetically, as in the ordinary address book, but in categories of interest or location. This is the well-known data retrieval facility. I have adapted a similar program that enables me to find —provided I have put the information on the computer — all the press cuttings and articles that I have considered would be useful in the future. Often hon. Members file these articles somewhere and can never find them again. This simple process enables me to feed into the computer the source of an article and what it is about. Long after I have forgotten the article I can find a reference to it on the computer and use it in preparing a paper on that subject.

The computer's summary of my current case work is useful, not least when a Department replies some months after my original letter was sent. Sometimes a Department inconsiderately does not mention the name of the constituent concerned but simply states, for example, "Replying to your letter of 3 March". The Department assumes that it does not have to tell me on whose behalf I wrote or what the letter was about. In such cases, the names are readily available on my computer.

I have another index that tells me whether I have already signed an early-day motion. This is most useful when hon. Members ask me to put my name to their motion. I do not have to trouble the Table Office unnecessarily.

Access to Prestel, Ceefax, Oracle and mail boxes will be most useful to hon. Members. I hope that, eventually, hon. Members will have access to the updated POLIS when it becomes more user-friendly.

The computer diary provides a back-up to my own personal diary. One's personal diary, which may remain unopened on one's desk or closed in one's pocket, is therefore useless. My computer diary bleeps to give me sufficient time to get across to the House to fulfil an engagement. It provides me with a printout of appointments, including a selection of these appointments —for example, it is useful if I want to know how many speaking engagements I have. If I cannot remember when I have arranged to see the director of education, I simply type in "education director" and the date comes up on to the screen.

These are well-known uses, which I have enumerated only because they may not be known to all hon. Members. Of course, they may be known to those hon. Members who are here. I believe that this facility is admirably fitted to meeting the needs of the House and is not confined simply to business uses. I warmly support the report's recommendations. I am disappointed at the initial response of the Leader of the House, and I hope that a different response will be forthcoming.

10.55 am

Mr. Colin Shepherd (Hereford): I am grateful to be called so early in the debate and am pleased to follow the hon. Member for Redcar (Mr. Tinn). He has resolved a

[Mr. Colin Shepherd]

mystery that has been puzzling me for some time, but I did not like to ask him about it. I am accustomed to hearing a "Beep, beep, beep" in the middle of meetings. I now know that it is the hon. Gentleman's diary telling him that he should be somewhere else. I am doubly appreciative of the fact that the hon. Gentleman, who is one of the valued members of the Library Sub-Committee of which I have the honour to be Chairman, continues to stay for the rest of the proceedings. His commitment to the running of the House is shown by his participation in the Computer, Catering and Library Sub-Committees.

As Chairman of the Library Sub-Committee, I want to bat on behalf of the Library. The Library is often taken for granted. It is sometimes seen as a fine suite of rooms along the riverside frontage of the House and a corridor containing many books. That is as far as people's perception goes. The Library has greater functions and facilities than normally manifest themselves to hon. Members and the public.

We are debating these issues on an Adjournment motion. This is an opportunity to air opinions. I believe that there is a need for urgent consideration and commitment to the future, especially in relation to accommodation facilities. We are under distinct pressure, and I hope that my remarks on the Library will demonstrate that.

The report recommended that certain steps should be put in train immediately after the Easter recess. Unfortunately, this is our first opportunity to consider the report. The pressure does not lessen with time: it increases. Would it not have been better for the report to be dealt with on a motion that enabled positive action to flow from it, if the House agreed, rather than have what is, in effect, a talking shop motion?

The wide issues which have already been brought to the surface in this debate need careful consideration. I understand that the information technology report does not necessarily lend itself to a motion that invites instant action. Nevertheless, hon. Members have stressed the need to grapple with the issues.

I am concerned that the Library should not be taken for granted. It has a finite level of resources which are voted by the House. It exists to serve the House to the best of its abilities. It is my pleasure to be able to compliment members of the Library staff on their phenomenal achievement. An interesting analysis of this achievement shows that in every Parliament the level of inquiry rises above the level of inquiry experienced in the previous Parliament and increases steadily through the ensuing Parliament, so that, in the past six Parliaments, there has been a steady increase in the use made by hon. Members of the research facilities of the Library.

Dr. Jeremy Bray (Motherwell, South): The hon. Gentleman has made an important point. The distribution of the use of the Library by different Members is as skilled in this Parliament as it was 20 years ago, but the more exotic services are still used by a small minority of Members. However, they must still be provided. Is that not a lesson for the information technology services?

Mr. Shepherd: I am grateful to the hon. Gentleman for making that point. He is right. I observed that the demand on the Library facilities achieves a new plateau after every election that is above the previous plateau, and then demand increases during the course of that Parliament. Sometimes, it tails off marginally at the end of a Parliament, but the following Parliament asserts a yet new level.

Dr. Norman A. Godman (Greenock and Port Glasgow): I readily agree with the hon. Gentleman's compliments to the Library staff. It is one of the finest libraries in which I have worked. Is the hon. Gentleman satisfied that the staffing resources in the Library are able to cope with the increased demands, or do they require more staffing?

Mr. Shepherd: The answer to that will become more apparent as time goes on. I do not want to give a categoric answer on this point because we have problems on where we go from here and how we cope in the time until 1990. The Library understands the problem, and when phase 1 of the new Bridge street parliamentary site came up it became apparent that we should try to secure part of that site for future development of the Library services. I was very glad that the House saw fit to accept that recommendation, and we are now well in hand with the creation of a bigger and better Library facility involving the capability for bigger and better research output in the future. However, that will not happen until 1990, so my concern is what happens between now and 1990, and how we overcome the problem of the steady increase of work required by Members and asked of the House of Commons Library.

Part of the growth—I cannot quantify how much—has come about because of the increase in the number of research assistants. Whether research assistants raise the points that they ask hon. Members to place on the Library, or whether they place inquiries themselves on the Library is not clear. However, we know that 80 per cent. of requests are placed direct on the Library by hon. Members and 20 per cent. by research assistants. We have to recall that before 1977 the branch Library did not exist. Now, the branch Library in Norman Shaw North is so heavily under pressure as a consequence of the growth of the number of research assistants and facilities that it is essential that we take action to contain this problem, pending at least 1990. It may be that, come 1990, we shall have a bigger problem which requires yet further thought. This is some of the thinking behind the recognition of the problem.

When we took evidence on the loading in 1984, we found that there were 252 research assistants with temporary passes category 9D. In 1985, in an update, we have found that there are 295, which is an increase of 43, so the problem is now more difficult to cope with than it was when we first took evidence. The branch Library reports to me that things became worse up to Easter of this year, with the January to April term particularly difficult, with severe overcrowding in the branch Library.

At that time, six organisations were sending American research assistants. The problem has eased since Easter. Only one organisation has research assistants here under informally agreed procedures. I understand that there are 15 or 20 freelances as well. There have been no contacts with the other groups. About 35 overseas research assistants are using the Library — let us call them temporary research assistants—who are, in the words of my hon. Friend the Member for Woking (Mr. Onslow), personal apprentices.

The branch Library feels that it can cope with the present circumstances, and the report came to that view as well. However, when more than 100 overseas research students had access to the branch Library facilities, the branch Library could not cope. Whether research assistants in that category come from the United States, the United Kingdom, Iran, India or anywhere else, the loading on the staff in the branch Library is high because of the high educational input that has to be made for most of the time that the research assistants are with us.

Once again, it is a tribute to the patience and quality of the branch Library itself that its members are able to cope without going completely out of their minds. We owe it to them to recognise this problem and to make their lives as reasonable and easy as possible.

I am not agin research assistants per se. However, I should like it to be recognised sometimes that they are not necessarily all research assistants but are more personal assistants. We might make life a little easier for ourselves if we were to refer to them as personal assistants, because often the personal assistants are those who direct the Members' inquiries towards the source of resolution rather than initiating inquiries themselves.

The Library is a finite entity and there is nowhere for it to go. Therefore, we have to make it possible for the Library to survive until 1990 without the level of service falling or hon. Members' reasonable expectations being disappointed. That is why I want an urgent and early implementation of the recommendations in our report on Members' accommodation, called "Members' Staff: Pressure on Accommodation and Facilities".

In the meantime, we must direct ourselves to the restriction. The report has various ideas about restriction. It is worth while bearing in mind the fact that this concept is not new. Although in theory the 650 Members could have 650 secretaries and 650 research or personal assistants, we do not all have one of each, although, as my hon. Friend the Member for Woking remarked, some have more than one of each. Therefore, we already have a certain self-denying ordinance.

A long time ago, before we had additional facilities in the branch Library, the Library recognised that research assistants would require access to the main Library. We restricted the numbers of research assistants to 200, and that restriction was accepted by the House. A rule was added that there should be no more than 15 research assistants in the main Library at any one time. Since that restriction was introduced, not more than 15 have been required to be in the main Library. There has been voluntary restraint, and in some respects the pressure has not been as high as it might appear to be.

It is also interesting to note that many of those people on the 200 club list are no longer research assistants. There are a number of secretaries on the research assistants' list with access to the Library. That is possibly a manifestation of a changing scene. The emphasis is moving away from the main Library to research at arm's length through the Library's research facility, which has grown so remarkably over the past few years.

There are 10 fewer permanent research assistants than there were a year ago. Someone who is described as a research assistant on the 200 club list may be a secretary who has the added convenience of being able to pop into the Library and look up "Who's Who" rather than have to go somewhere else.

I have put down my markers as to the implications of any changes that may be brought about. We can get ourselves into 1990 provided that there are no major changes. However, I have noticed, as I have no doubt my right hon. Friend the Leader of the House will have noticed, that there is an early-day motion on the Order Paper with about 200 signatures which asks for increases in personal research facilities. If we accept that—I do not advocate that we should or should not—we may blow the Library and its ability to cope with the load that we put on it. We must recognise that point and be prepared to deal with it.

As there is no way in which the Library can expand physically over the next five years until 1990, the House would be well advised to consider that point before leaping in in a way that could lead to a major growth in the work being placed on the Library.

Mr. Sheerman: I have carefully followed what the hon. Gentleman has said. He has advanced a logical and sound argument. Why are the Library resource parameters unbreakable? There is a good building to let opposite the Abbey, near the accommodation that we already rent. Why is there such tremendous pressure on resources? Why do we not rent that building and put in some extra staff so that Members can obtain the facilities that they want now instead of having to wait until 1990? Temporary measures can be taken speedily.

Mr. Shepherd: I hear what the hon. Gentleman says. I work within the constraints placed on the Library at the moment and I report on those constraints. If the House feels that that is what we should do, it will no doubt take the necessary steps. The House cannot expect a much greater expansion of Library services within the present structural framework. The Library is already a Gulag Archipelago of little bits deposited over five sites with tenuous lines of communication that cause a great deal of manpower wastage just getting information from point A to point B.

The Under-Secretary of State for the Environment, my hon. Friend the Member for Ealing, Acton (Sir G. Young), who has responsibility for the Property Services Agency is not here. I had hoped that he would be, so that he could accept my thanks on behalf of the Library for making available the resources necessary to implement paragraph 26 of the report in advance of the recommendation being adopted, so that improvements can be made this autumn to the fifth and sixth floors of Norman Shaw North. That is good, and no doubt when he reads the debate he will take on board the appreciation of the Library staff, the Chairman and Committee who find that a substantial boost to morale.

I wish to deal briefly with the information technology report and its implications for the Library. This has been mentioned, but there should be no expectation that increased availability to Members of information technology will reduce the Library's work load. It will not. I am confident that it will increase it. The Library experts advise me of that, and I have every reason to believe them to be correct.

That new dimension constitutes a considerable extra facility for Members. They will therefore expect a new dimension in services from the Library. The flexibility given by electronic mail will improve matters. One will be able to put a request into the system out of hours and

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possibly receive a response out of hours. That will mean that we are not so dependent upon the availability of research staff over the desk.

I sound, however, a note of caution about the cost of Parliament. My right hon. Friend mentioned this. We are letting Members loose with a not inconsiderable spending power in terms of their access to various databases. We have two types. We have the POLIS system which is good, and I can see that being accessed for the most part by the Library's research staff, although as time goes on more Members will get the hang of accessing it, so the demand on the system will increase. That has a not unreasonable cost implication. Prestel, Ceefax, Oracle and all the other proliferating databases are paid for by the minute. It will be easy to get the habit of dabbing into those databases regardless of the cost. We must bear that in mind. It amounts to an open cheque book.

If we decide to go ahead with the system recommended, can its designers bear in mind the fact that we shall have to arrange for Members and staff to become acquainted with it so that they can understand how to obtain the best value from it? We do not want to spend money regardless and get it wrong. We all work differently. We range around the buildings. We are peripatetic. We do not want to be pinned down to a work station. I agree with the right hon. Member for South Down (Mr. Powell) who spoke on the radio this morning. I do not want to be pinned down to a desk. I want to be able to be in and out and around. We must remember the need for simplicity, reliability and flexibility.

The Library is the biggest and oldest user of information technology within the Palace. It has an immense well of expertise which must not be overlooked. The strengthening of the links between the Sub-Committees is welcome, as is the strong professional connection. I urge that that close cohesion and co-operation is engendered at all stages as we move into these curious uncharted waters which face us. The benefits to the House will be enormous if we get them right. There will be confusion if we get them wrong.

11.18 am

Mr. John Silkin (Lewisham, Deptford): It is a pleasure to follow the hon. Member for Hereford (Mr. Shepherd). I do not believe that there is any Member of the House who will not echo the justified praise he has given to the Library and the staff. We are all greatly indebted to them, and it is right that that should have been said today. I am also grateful to the hon. Gentleman for the part that he played in the joint deliberations, because he is one of the begetters of the report. The Accommodation and Administration Sub-Committee and the Library Sub-Committee joined to consider the matter because plainly the pressure placed on the Library facilities by research assistants and others is of great importance. I express the gratitude of the other half of that Committee for the work that was done by the Library members.

I find it odd that the deliberations of the Computer Sub-Commmittee should have been put together with those of the joint Accommodation and Administration and Library Sub-Committees. However, that is the way in which the Leader of the House works. He is a man gifted with the ability to see 101 different things all at the same time. If that is the way that he enjoys a debate, who am I to interrupt his fun?

I find myself obliged to spend a short time talking about the Computer Sub-Commmittee's report only in so far as it affects the Accommodation and Administration Sub-Committee. I promise the House that I shall go no further than that.

The House will appreciate that the annunciators are nearing the end of their life in their present form. The report accepts that we will not be able to continue with the present system for very much longer. This presents us with the choice of using a system which employs the existing cabling or examining another system, considering the possibilities of a different sort of cabling and assessing the advantages that that might give to Members in future. It would be futile to reject the pilot study that the report suggests. To use the term "criminal" to describe such a rejection would perhaps be going too far, but it would be rather a stupid thing to do. There must be a thorough examination and I emhasise that that is essential.

The hon. Member for Hereford said a great deal for me and for the Committee when he talked about research assistants. He observed that one of the recommendations was that the report should be put into effect immediately following the Easter recess. It seems curious logic to say that we must deal with the matter of research assistants immediately, so let us adjourn the whole issue without voting on it. Surely we must hear what the House has to say. I suggest that the issue will be taken up not at Easter, not when the House goes into the summer recess and not at Christmas but at some time in the Greek kalends, when the Leader of the House or his successor will suddenly say, "Perhaps we should do something about research assistants". At that moment perhaps the bright idea will occur to the right hon. Gentleman or his successor to set up a joint committee to examine the issue and report on it. In the meantime nothing will be done.

The joint Sub-Committee had a problem which has been solved in the past. It faced the difficulty of bringing together three distinct issues. It was a more difficult task than bringing together one or two opposing points of view in the same area. When there is a point of view and an opposing point of view on much the same issue, the old British habit of compromise can be introduced and a resolution can be achieved in that way. Instead, the joint Sub-Committee had to consider three distinct factors. The first factor was the freedom of hon. Members to choose what employees they wish to have to assist them with their work in the House. This freedom of choice, which has been recognised for centuries, is vital. The second factor was the need of hon. Members to do their work in such a way as not to conflict with the work of other hon. Members. If certain services are overloaded and the result is that some hon. Members are not able to do their job, it is clearly necessary to find a satisfactory balance. The third factor was the need of hon. Members to be informed. I understand why the Leader of the House does not wish hon. Members to be quite as well informed as he is. However, it would be difficult for them to be so even with 100 research assistants.

Do we want to return to the days when there were no Select Committees? Do we want to return to the days before the introduction of information technology? Do we want to return to the days when Ministers used to write out by hand all their own statements, as they did in the 18th

century? I remember reading that one of the troubles with the French Revolution that caused everyone to execute everyone else was that those in authority had to do all the work themselves. They had no secretaries to assist them and consequently they were worn out. That does not seem to be a useful way of conducting our labours.

When I was the Chief Whip of the Labour Government I took the view that it was not useful to go through the night discussing legislation. I am glad that the House has somewhat changed its view on all night or very late sittings. Things are still quite bad but they are not as bad as they used to be. The Leader of the House must accept that there are changes and that change will continue.

I am surprised that the Leader of the House did not seek a decision on the modest proposals that are contained in the report. As I have said, the Committee had three different factors to consider before coming to a decision. It had to make the judgment of Solomon, in effect. The Leader of the House, who has a sense of history, knows that the judgment of Solomon was never carried out. I wish that he had not taken that precedent so much to heart.

Dr. Godman: My right hon. Friend has said that there is a need for Members to be informed. Will he acknowledge that it is essential that we are informed? We must all be well briefed. But how useful is a temporary research assistant in this endeavour? In paragraph 16 of the report we find that a witness talked about temporary research assistants disappearing just when they are beginning to get used to our work. At that stage a completely new lot of assistants arrive with little knowledge of Parliament and its work. How useful is a temporary temporary research assistant?

Mr. Silkin: The answer lies with Members themselves and not so much with research assistants, provided that they are of reasonable quality. My right hon. Friend the Member for Swansea, West (Mr. Williams) made a fair and reasonable case but I must quarrel with him gently on one issue. Research assistants do not beg to be allowed to come to this place and there are fewer research assistants than Members. We must recognise that Members want their assistance. If Members did not want temporary temporary research assistants, they would not be available and they would not come. I know that the Leader of the House is a great believer in the free market economy and the laws of supply and demand. I am worried that he has not taken that point firmly to his heart. I think that he is beginning to slip; he is becoming slightly Fabian.

Mr. Williams: My right hon. Friend will recollect that I made two optional interpretations. I said that it was likely that the existence of research assistants—they have been called angels—was disguising a need that the House should face. In that way I was agreeing with my right hon. Friend's argument. I think that the need should be met properly.

Mr. Silkin: I did not think that it was for me or for the joint Sub-Committee to go into the broader question of whether we have all the research assistance that we need in a modern age. I know that that question exercises the minds of a number of hon. Members on both sides of the House. Any visit to Congress or to some European Parliaments convinces one that we are 100 years behind the times. However, it would not be appropriate to take up that matter now.

Mr. Sheerman: My right hon. Friend is aware that Members need the help of research assistants. There are some who want to make American research assistants scapegoats for the resources that we have in this place, but Members with common sense do not take on anyone who will be a nuisance. They take on assistants because they desperately need help, whether that is at the level of photocopying, "gofering" or for a myriad of different jobs that the modern legislator has to undertake. These assistants provide a valuable service and they are not pests.

Mr. Peter Bruinvels (Leicester, East): And they are free.

Mr. Silkin: The fact that they are free makes them to most hon. Members rather more desirable. If the House wishes—it will at some time, of that I am convinced—to provide the funds in such a way that will not penalise hon. Members, I am sure that hon. Members will take on assistants of a more permanent nature. However, I am not altogether convinced that that would be desirable.

I like the idea of people, so long as they are competent, coming from the former colonies and elsewhere and learning a little about democracy. It is good for them and it is good for the United Kingdom. Provided that they are properly treated, they are our friends for the rest of their lives.

We point out in our report that they come not only from the United States. They come from Iran—I should have thought that Iran had a lot to learn from Britain—Korea, India, Germany and many other countries. The fact that they come from those various places is valuable from our point of view.

Mr. Onslow: So that the passionate intervention of the hon. Member for Huddersfield (Mr. Sheerman) does not discolour the true picture, will the right hon. Gentleman confirm that much evidence was given to his Committee by people who were able to evaluate, from a detached point of view, the work of assistants? Will he confirm that that evidence showed that many temporary apprentices were seriously under-employed and were in some cases used mainly to collect and open mail and take messages? Does the right hon. Gentleman agree that it does not contribute greatly to understanding between nations if somebody who comes here to undertake such work is treated as a dogsbody?

Mr. Silkin: That is so, but that is a criticism of the hon. Member concerned rather than of the assistant, and it is not my purpose or that of the Committee to spend time criticising our colleagues. We could of course do that, but the House would then have to set up a sub-committee for that purpose.

Given that we have limited facilities — the hon. Member for Hereford faced up to this in the Committee and in the House today—what are we to do? We must have some form of rationing. That was an issue that we had to consider. We must give hon. Members the freedom of which I spoke and the right to be fully informed, if they wish to be informed, but we must not overload the various facilities in such a way as to cause a nuisance to other hon. Members.

In particular cases a nuisance can occur. The hon. Member for Hereford put the Library first, and so do I, because that is the core of the learning and of any ability that we have to serve our country. There are other

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facilities, such as catering. The hon. Member for Hereford, being a member of the Catering Sub-Committee, has experience of that. It is not good—I put it no higher than that—if we and others who are more permanently employed are not able to have proper refreshment facilities because of the presence of people who are here for only a short time.

Another factor which comes up more and more these days—in the Accommodation and Administration and Library Sub-Committees it comes up almost every week—is the overloading and over-use, and sometimes the perhaps improper use, of photocopying machines. There must be a limitation of use. That is what we have tried to deal with, though we accept that it must be a sensible limitation, and that is why we have made our recommendations on that type of subject.

In the course of making those recommendations, we were enormously impressed by one group of producers of overseas assistants, Educational Programmes Abroad, because it had a disciplinary basis; it taught its young people something about the House of Commons before they came here and impressed on them the need to conform with certain standards. I suspect—as I believe the Committee did generally—that where our colleagues have justifiable complaints, too often they arise because of young people not being employed on that sort of collective basis, but being employed willy-nilly by hon. Members for a short period and never really learning what this place, its traditions and importance are about. That is why we were impressed by those who were willing to adopt a disciplinary code.

Mr. Sheerman: Does my right hon. Friend agree that several programmes exist by which students are supplied to the House and that rigorous procedures are carried out under those programmes, including visiting constituencies and party conferences and having intensive meetings, before students are let loose in this place?

Mr. Silkin: To be fair, I agree that it happens in a limited number of cases, and we made that point. We were impressed by those cases where that happened. That is why we made our recommendations on the subject and recommended, for example, that there should be a limit on the number of temporary research assistant passes.

I agree with the hon. Member for Woking (Mr. Onslow) that the phrase is a misnomer in that they are not necessarily research assistants. "Personal assistants" might be a better description. I am not sure about the use of the word "apprentice"; hon. Members, rather than those whom they employ, are sometimes more likely to be apprentices.

Mr. Simon Hughes: While accepting that research assistants should be here for a longer time, does the right hon. Gentleman agree that any hon. Member should be permitted to have more than one at any one time? I am also worried by the use of the word "employed" because some of us need responsible and capable people who are willing to give perhaps two days a week for a year or two without payment, and it may be necessary for us to employ somebody else for another two days a week without payment. They are not, in the strict use of the word, employed.

Mr. Silkin: We were essentially talking about passes being issued to people from overseas. There is no such restriction on passes being given to people from these islands.

Mr. Onslow: I am interested to hear the right hon. Gentleman say that no consideration was given to restricting passes for assistants unless they happened to be of overseas origin. Was that a conscious and deliberate decision by the Committee in approaching this subject? Did the right hon. Gentleman or his colleagues consider my proposition—I thought that it would be the fairest, if the roughest and readiest solution—that there should be a limit of one secretary and research assistant with passes, or at any rate two personal staff, per hon. Member, however many others hon. Members might employ outside?

Mr. Silkin: We considered among ourselves whether it was possible to make such a numerical decision, but came to the conclusion that it was not. Practicalities affect the question of home-produced personal assistants because, as was pointed out earlier, British universities do not at present regard work experience as part of courses. Therefore, the question does not arise to the extent that it does with American universities which, very sensibly, include this kind of activity in their work programmes. Working in this place cannot be substituted for a summer term at Oxbridge or anywhere else, even if the student is reading politics or philosophy. In that regard, we are way behind the United States. The practicalities therefore led us in the direction that we took.

I believe that the recommendations are fairly clear. It is a pity that the House was not given the opportuniy to get on with the job and simply to pass them. It can always say that the recommendations do not go far enough and that we wish to return to the matter again, but the present method tends to prejudice the possibility of getting on with things.

The hon. Member for Woking was the only hon. Member to raise the important question of security. Here we are in some difficulty. I believe that we are all too lax about security. We accept the need for it, especially after the dreadful occurrences in Brighton last year, and we know that the House is vulnerable but we seem not to take the matter personally to heart as much as we should. If Members are to have the freedom, which in my view they should have, to choose whom they employ to help them, the onus of dealing with the security aspect must fall on them. It was a difficult matter and we included it late in the day following the Brighton outrages. I hope that we have got it right, but I believe that in the end the onus must be on Members to see that it is dealt with properly.

We are dealing not with a compromise but with three essential rights that a Member of Parliament should have—the freedom to choose those who help him, the need to be informed and the need not to interfere with or damage the work of his colleagues. I hope that we have got this reasonably right but I have no doubt that the House will return to it time and again over the years. I venture to suggest that we shall never reach a permanent solution because I do not believe that such a solution exists.

11.42 am

Sir Paul Bryan (Boothferry): The hon. Member for Redcar (Mr. Tinn) was disappointed with the attitude of

my right hon. Friend the Leader of the House. I was well pleased with it, as it seemed entirely reasonable. At a time of so much administrative change it is as well to have a sensible pilot at the helm. I was, however, disappointed with the speech of the hon. Member for Redcar, as he appeared not dissatisfied enough with the status quo.

The hon. Gentleman made sound comments about the future; but I wish to consider how things can be made more tolerable in the five years during which we shall have to live with the present conditions, which are very difficult to improve, until the new building is available in 1990. I was pleased that my hon. Friends the Members for Hereford (Mr. Shepherd) and for Woking (Mr. Onslow) addressed themselves to the problem of what can be done now to make things better.

The lot of a Member of Parliament has improved a great deal since I arrived in this place 30 years ago. We are much better paid. We have allowances for secretaries, for research assistants, for living in London, and so on. Even our wives have travel vouchers. All those things were unheard of 30 years ago, as was the help that we now obtain from information technology. Life is also harder. There is greater pressure from constituency work and correspondence, and parliamentary hours are longer. Our constituents are better informed and the demands of the House are much greater. All those things are inevitable and it is no use deploring them. I wish to deal with the tribulations that we have brought on ourselves and about which we may be able to do something.

The use of one or several research assistants per Member of Parliament is a new phenomenon and a perfectly natural development to meet the increased pressure. Some Members, because of the nature of their work, can fully employ one or several research assistants. Others, however, get such an assistant and then find that they cannot fully employ him or her, so the poor research assistant is set to work brewing up large numbers of questions to some miserable Minister in an attempt to fill up the time. Some Members may ask as many as 200 or 300 questions. As surely as night follows day, if one asks hundreds of questions one's correspondence and surgery work will double. The research assistant will then be overworked. The Member then engages another.

Does all this make one a better Member of Parliament? In my view, asking 500 questions does not make one a better Member of Parliament and may actually do a great deal of harm to this place in the process. Whether that is the right or the wrong way to behave, however, the result has been that there are now many more assistants. The research assistants did not come here uninvited. We have caused the problem. If the cafeterias are full to overflowing and the Library or the branch Library becomes a bedlam, that is our doing, for better or worse and whether we wished well or ill; it is up to us to do something about it.

As no additional accommodation will be available for several years, I believe that all of of us — the Government, the Services Committee and Members — must agree to lay down some rules now to stop the rot that we ourselves have started. I agree with my hon. Friend the Member for Woking that until we have a great deal more room Members should in general be limited to one secretary and one research assistant each. I say "in general" because clearly exceptions will be necessary for shadow Ministers and so on.

As my hon. Friend the Member for Woking also pointed out, those Members who rightly and worthily use all the information technology available often do not appreciate that a large number of Members get on perfectly well without all that and are not bad Members of Parliament as a result. For instance, 241 Members have no research assistant. They do not pay their secretaries £12,000 per year, so they could afford research assistants if they wanted them. The amount of research assistance available outside the House is often underestimated. I have been interested in Honk Kong for many years, but I do not have research assistants gathering information for me about Hong Kong. The high commission provides an endless supply of press cuttings, and many other organisations provide any information that I need. In the modern world, a large number of organisations, trade associations and trade unions are becoming very good at this kind of work and a great deal of information can be obtained in that way.

Mr. Austin Mitchell (Great Grimsby): Is the hon. Gentleman suggesting that hon. Members should be made entirely dependent on vested interests? The sources of information which the hon. Gentleman suggests we use often have a financial interest.

Sir Paul Bryan: The hon. Gentleman must not go through life terrified of these people. We get information from whom we want and judge it according to who supplies it. Hon. Members are supposed to have sufficient judgment to sort out what information is good and what is bad. I am unalarmed by that consideration.

There is quite a considerable discrepancy between the numbers of permanent or temporary secretaries, and permanent or temporary research assistants as stated in parliamentary answers and by the Serjeant at Arms. That discrepancy reflects the ebb and flow of students, but there is no doubt that the trend is constantly and rapidly upwards. According to figures supplied to me by the Serjeant at Arms, there were some hon. Members with nine, 10 or even 14 research assistants on 1 May. Hon. Members are entirely welcome to such numbers of research assistants as long as they are watered, fed, accommodated and car-parked somewhere else than in the Palace of Westminster.

Students are welcome if we can give them the sort of education and treatment that they deserve, but it is quite apparent that we cannot. My hon. Friend the Member for Hereford gave many sensible reasons for that. I should have thought that, for the time being, the flood of students should be stopped. If we had the accommodation and the facilities, it would be very nice to be able to help them with their education by a few months attachment to this historic place. However, we are unable to supply such a favour in present conditions. At the moment, the arrangement is inconvenient to us and positively unfair on House of Commons staff in the Libraries and restaurants. Moreover, I should have thought that the students must leave with a less than favourable impression of the mother of Parliaments.

As for parliamentary questions, I can express an interest or lack of it, in that I have never been a prolific questioner. I have asked very few during the past year. What are the further thoughts of my right hon. Friend the Leader of the House on the uncontrolled growth in the number of questions? The latest figures show that it costs £67 to

[Sir Paul Bryan]

answer an oral question and £41 to answer a written question. For that reason alone, there must be a limit to the number of questions that can be asked.

We are equipped with an admirable reference library and it is hard to see any justification for 800 questions a year. Three hon. Members asked 800 questions in the last Session. That meant that each hon. Member's questions cost at least £33,000 to answer. I cannot believe that that is right or that our constituents would think it reasonable. I am sure that if the hon. Member for Linlithgow (Mr. Dalyell) were here he would jump to his feet to explain the virtue of his various questions. Oh, here he comes. I am not suggesting that the questions are good or bad, but there is no disguising the fact that some of the questions now being asked are largely a publicity stunt or, more worthily, a method of holding on to a marginal seat.

Mr. Peter Bruinvels: Yes.

Sir Paul Bryan: There is no reason why the Government or taxpayers should pay for that.

Mr. Simon Hughes: Does the hon. Gentleman agree that if the Government made the disclosure of information an automatic part of their processes half of the effort that hon. Members have to go to to extract information, often getting no answer the first time, half an answer the second time and an unsatisfactory answer the third time, but eventually the facts, would not be required?

Sir Paul Bryan: I can only tell the hon. Gentleman that Back Benchers in all Parliaments of which I have been a Member have never been satisfied with the answers they get from Ministers. Even if unbelievably Ministers gave entirely satisfactory answers, nobody can persuade me that that would reduce the number of questions that are asked.

Mr. Dalyell: I make this point quite quietly. Yes, I tabled a great many questions on a particular subject because it was clear that the Government were not being candid. The cost of those questions, in so far as it was a cost, was not the difficulty of getting information, as the information was readily available in the Ministry of Defence, but the fact that Ministers did not want to reveal the truth and therefore had to synchronise one answer with another. The quick response to the hon. Gentlemfan is to suggest that he reads Ponting's book, especially page 129. If the hon. Gentleman had sat through the 11 days of the Ponting trial in court No. 2 at the Old Bailey, he would have seen the extent of the dissemblement. That is the justification for asking so many questions.

Sir Paul Bryan: So that I can get on with my speech, let us all agree that the hon. Member for Linlithgow is a bargain for the nation at £33,000.

Mr. Dalyell: Rubbish.

Sir Paul Bryan: Can my right hon. Friend the Leader of the House explain what are the alleged arrangements for the control, if that is the word, of visitors to the Palace of Westminster? The scene on the Terrace of the House of Commons is often not attractive, especially in summer. It gets overcrowded and some visitors seem to stay there drinking for hours at a time with no host Member of Parliament in sight. I am aware of a regulation which provides that no guest should be left for more than 15 minutes, but who enforces such a rule? Is it not time that a specially selected and tactful policeman was asked to inquire from time to time what right people have to be in various places? I do not mean just the Terrace, as we often see characters who seem quite at home in parts of the House which we all think are supposed to be preserved for hon. Members.

To follow what the right hon. Member for Lewisham, Deptford (Mr. Silkin) said, should we not consider the machinery of our parliamentary housekeeping? Does it operate with sufficient urgency? The Select Committee whose report we are discussing was appointed on 28 March 1984. It first met on 6 June 1984 and it reported on 31 January 1985. Yet here we are discussing the report 15 months after the Committee was set up, but only on a motion for the Adjournment. Therefore, we have no prospect of doing anything before Christmas at the earliest. If we continue at that pace to pursue the reform of the administration of the House of Commons, matters will get much worse before they get better.

11.59 am

Mr. Stephen Ross (Isle of Wight): Some of the speeches so far from Conservative Members remind me of the last time we debated our salary increases. The hon. Member for Southampton, Itchen (Mr. Chope), for instance, who had just been elected, said that we should set an example to the nation and not increase our salaries above a certain amount. Then I discovered that he is a barrister. The impression that some people do not live in the real world has been given again today. Many have numerous directorships.

I have never before taken part in such a debate, and I do not suppose I will do so again, but I shall embark on a litte personal pleading. I remind the hon. Member for Boothferry (Sir P. Bryan) that since Mr. Arthur Lewis, the former Member for Newham, North-West, left the House, the cost of answering quesions has probably decreased substantially.

Last summer, after the debate on our car allowances, I was so disgusted by the fact that Parliament increased allowances to people with large cars that I wrote to the Leader of the House. I said that, although it was probably good for my soul to accept a cut, because I drive a Mini Metro, it did not enthuse my bank manager.

The problem for many Opposition Members and for a growing number of Conservative Members is that we cannot afford to employ research assistants. I disagree with one part of the Select Committee's report. Paragraph 6, at the top of page vi, states:

"We challenge neither the figure itself"—

the secretarial and research allowance—

"nor the view . . . that it would be wrong to interfere with the individual Member's right to engage staff."

I do not disagree with the latter part of that sentence, but I believe that we should challenge the secretarial and research allowance, which at the time was £12,400, but which has recently been increased to just over £13,000. The allowance is inadequate and bears no relation to the population of one's constituency.

Mr. Silkin: For the record, we did not challenge it because it was not within our terms of reference.

Mr. Ross: I readily accept that. I thought that I might be ruled out of order if I mentioned the subject without saying that it was covered in the report.

I challenge the allowance because it is inadequate, especially when one has a large constituency. My

constituency has the largest electoral register, with about 100,000 people. That creates a large work load, especially when 26 per cent. of the electorate are retired, people who tend to write long letters. There are also three prisons in my constituency whose inmates seem to have adopted me as their constituency Member.

I must employ two secretaries—one in the House and one in my constituency—which makes it impossible for me to consider engaging a full-time research assistant. I am already in debt because I employ two secretaries. It is time that that point was made in the House. If one wishes to play a proper role in the House, as I try to do each day, by sitting on Select Committees and Standing Committees, one suffers from the lack of a research assistant. I could do a much better job if I had a full-time assistant.

Another problem is that one is often asked questions by one's constituents, most recently especially on immigration matters and the lists of restricted drugs. In most cases, one does not know the right answer—one would be a fool to pretend otherwise—so one passes the letters to Ministers, whose civil servants must provide the answers. Since the immigration rules change frequently, to be sure of getting the right answer one must always pass the query to the Minister concerned. We are taking up an enormous amount of the time of civil servants, and if we had effective research assistants we could do more for ourselves.

I took on board the request made by Ministers a couple of years ago for hon. Members to deal more with the local representatives of the Department of Employment or the DHSS. I have always had the facility of telephoning them. I even telephone prison governors so that I can avoid writing letters to the Home Office. But that all takes time, and it would save money if the allowance were increased to enable us to employ full-time research assistants.

At present, I am using a temporary, part-time researcher on one project, and I would regard any restriction on my ability to do that as completely unacceptable. Most of the American students of my acquaintance have been surprisingly good at their job and quickly find their way around the House. I hope that they will continue to come, but I agree with the report that there probably is a need to restrict their numbers, at least until we have improved premises, which we should have had long ago.

I cannot understand why we are not able to make use of some of the empty rooms in the vicinity of the Palace of Westminster. There are some in Bridge street and, as the hon. Member for Huddersfield (Mr. Sheerman) who is not in the House at present, pointed out, there are also some over by the Abbey.

Why do we always come last in the list of priorities? I have just seen the office blocks which have been renovated at huge cost for Ministry use. One only has to go down John Islip street to see that. It does not make much sense. I trust there will be no further delays in the building programme, and the words of the Leader of the House suggested that that was his wish too.

Page 12 of the report states that, because the number of permanent research assistants is limited to 200, those Members unable to get a permanent pass apply for a temporary one. It seems unfair to limit the number of temporary research assistants, but the problem is really pressure on facilities, as has been illustrated in this debate. That can be relieved by limited access to them, and we will have to see to that. Evidence was also given on that point to the Committee by the Association of Professional, Executive, Clerical and Computer Staff. On page 19 there are recommendations for devising a method of such limitation, by restricting the hours or the days on which temporary research assistants can carry out research. I accept that restriction. That raises the question of the need for research to be carried out urgently, perhaps when a statement is about to be made and someone wants a quick answer to a query. A special pass could be used in the Library for that purpose.

Vandalism and the need to restrict the Library to academic use were two other subjects discussed. Of course blatant vandalism must be dealt with severely. One way to curb unauthorised use of the Library is to have the Member state the nature of the research he wishes his assistant to accomplish; that could be put on the pass provided. It is a bit bureaucratic, but we have to adopt procedures of that kind if we are to relieve the Library of some of the pressures. I accept everything said in the debate so far about the Library. It is the most magnificent facility we have, and I always tell visitors about it. There is no doubt that socialising is going on in the Library. There is evidence of that, and the Librarian should be authorised to order out anyone who is not on Library business or who is causing obstruction.

We know about strains on the canteen and it is fair to point out that the House is not obliged to provide eating facilities for temporary research assistants. Unfortunately, we have not provided adequate facilities in the precincts of Westminster. There is a facility on the other side of the road, but it is rather expensive. People visiting the House, particularly children coming in with lunch packs, have nowhere to sit. Far too many people are going round the House and that ought to be discussed some time. It is impossible to take visitors around without being in a crush all the time, and we ought to think about restricting numbers. I know there is some temporary restriction now.

When visitors have finished their tour, where do they go? If they are with children, where can they sit down and have a meal? We have not thought that through; nor have we thought through the traffic congestion and all the coaches parked outside. There can be 40 or 50 at any one time in Millbank and Whitehall alone. Members should take on more responsibility for the work of their researchers and the use they make of facilities in the House. Perhaps we should consider assigning temporary research assistants either on a morning or afternoon privilege, so that half could use the facilities in the morning and the rest could use them in the afternoon. At other times they would have to work outside the Palace of Westminster. My temporary researcher comes to me out of working hours and starts at about 6.30 in the evening.

Evidence was also given that the problem about research assistants had lessened during the last year. That information was also given to the House by the hon. Member for Hereford (Mr. Shepherd). Perhaps we are being a little unkind in some of our criticisms. The situation has improved slightly. It may be that some of that comes from the publicity given to the report in the United States of America. A very full report appeared in the American newspapers, and that has probably been taken on board. I hope that the message that got across was not that we were anti-American students. I welcome them

[Mr. Ross]

from all parts of the world. It is part of the job of the Palace of Westminster, the home of democracy, to be open to such people if we can accommodate them.

I congratulate the Committee on its work. I am grateful to it. I agree with the right hon. Member for Lewisham, Deptford (Mr. Silkin) that we should come to some conclusion today and not put it off yet again. I found the report sensible and acceptable, but it would be more meaningful if we had a proper allowance so that hon. Members could employ researchers. That is now controlled by the Fees Office, so it should not be abused. I am one of the 200 signatories of that early-day motion.

I accept that most of my colleagues are getting themselves computerised and that probably I have to do the same. The sooner we introduce the recommended system based on the Canadian experience, the better. But I am no expert in these matters, and I hope that later in the debate one of my hon. Friends will catch your eye, Mr. Deputy Speaker.

12.12 pm

Mr. Roger Gale (Thanet, North): I apologise through you, Mr. Deputy Speaker, to the House for the fact that I have to leave before the end of the debate. I apologise especially to the hon. Member for Blaydon (Mr. McWilliam) and the Leader of the House. I undertake to read the report of the rest of the debate.

At the risk of causing a sharp intake of breath, I have to declare a slight interest in that in my name there are five researchers' passes. One or two of my hon. Friends have asked, "Why five?" I shall briefly explain.

The first of those five is a full researcher's pass which is held by my wife, who is my secretary and my personal assistant. In passing, I may be able to do a service to other hon. Members who employ their wives by putting it on the record that this is not, as is popularly believed outside the House, a way for a Member of Parliament to enhance his salary by using his secretarial allowance in that way. In my experience, most hon. Members who employ their wives do so at less than those ladies earned before starting to work here. When I am asked why, I give the answer that will be agreed by every hon. Member who does the same. It is the only way that I can get someone to work for me 17 hours a day and six days a week for the money. It is also the only way that some of us manage to see our wives.

The second and third of my researchers' passes go respectively to a student from Surrey university who pays a visit here once a week and spends half an hour in discussion with me because he is working on a specific research project. He has the pass to enable him to gain access to the building for that period without an inordinate delay at St. Stephens's Entrance. The other goes to a similar student from London univeristy who is studying economics and working for me on a similar basis.

One young lady from my constituency who helps with constituency work has a pass and uses it on the three occasions a year when she visits the building, again to help with access.

Finally, I have an American student from the educational programme abroad, who obviously also needs a pass.

My hon. Friend the Member for Hereford (Mr. Shepherd) was right to say that—apart from my wife—these people are not researchers. They are personal assistants. However, the machinery of the House at present is such that the researcher's pass is the only identity document readily available. The proposal to introduce a temporary secretary's pass will undoubtedly be the solution. I suggest to the right hon. Member for Lewisham, Deptford (Mr. Silkin) that perhaps a personal assistant's pass as an identity document might serve not only that useful purpose but also help to allay some of the misconceptions that have grown up around these batteries of people who patently are not researchers, as I have demonstrated in my own case. As my hon. Friend the Member for Hereford said, there is a fundamental difference between researchers and personal assistants.

I, too, thank those genuine researchers who serve all hon. Members in the Library. They provide for Back Benchers a Rolls-Royce service. At very short notice they provide detailed answers to very tricky questions. I do not believe that the individual research worker of any hon. Member could begin to match the service that is provided by the Library.

As for the service that I have received since I entered the House two years ago from students who work on the educational programme abroad, the American students are much derided, particularly by more senior hon. Members. During the last two years I have engaged six American ladies and one American gentleman. Without exception they have all been personable, enthusiastic and willing to learn. They have helped both me and the only permanent member of my team, my wife. They have done dogsbody work.

I am sorry that my hon. Friend the Member for Woking (Mr. Onslow) is no longer in the Chamber. He said that they could not learn from doing this kind of work. I do not agree. They run errands and do filing; they fetch and carry between the Norman Shaw building where my secretary's office is located and my office in this building, but we make considerable efforts to ensure that they have an opportunity to learn about constituency work and parliamentary work and we provide them with opportunities to witness debates in this House.

I share entirely the view of the right hon. Member for Deptford that investment in overseas students can only be worth while in the long term. This is the mother of Parliaments and the greatest of all Parliaments. The more people understand that and learn from it, the better. I am grateful to the Services Committee for its recommendations. I have no interest other than that I use the educational programme abroad service. The students are carefully picked. I hope not only that we shall continue to enjoy their good service but that they will continue to benefit from the lessons that this House can teach them.

There is a legendary minute in the diary of a west country political association which said that the normal arrangements would be made for the Member of Parliament's "annual visit" to the constituency. Since that minute was written, nearly 100 years ago, I suspect that parliamentary life has changed a little. It is no longer necessary, in the main, for constituents to come to the House if they wish to see their Member of Parliament. Most hon. Members hold political surgeries and pay regular visits to their constituencies. Very often they live there, too.

The need for information technology in the House of Commons to service the changing role of the parliamentarian is paramount. I shall not dwell on this point in depth, because my hon. Friend the Member for

Havant (Mr. Lloyd) who is the Chairman of the all-party Committee on information technology is to speak in the debate. If we are to be fought by the Executive with word processors, we must be able to reply and to fight fire with fire. I mean no disrespect to this Executive; this is an all-party issue. However, the "people up there", when responding to the inquiries of ordinary Back-Bench Members, increasingly use all the technology that is available to them. Every hon. Member knows that, when faced with a number of inquiries on the same subject, a Department will fire off a standard letter, containing, say, paragraphs 1, 3, 5 and 9 and a personal note at the end. That does not always answer the questions that we are asking.

It has been suggested that research is not necessary for us, and that we do not need information. I have great respect for the hon. Members who have said that, but whenever there is a Minister on the Front Bench there is at least one researcher, called a civil servant—and often four or five — sitting in the Civil Service Box. The Executive has a Rolls-Royce machine looking after it. If we are to serve our constituents in the way in which I wish to serve mine—I am not exceptional; there are 650 of us trying to do the same job—we need the machinery to enable us to do it. That will require information technology and people.

A United States Congressman told me yesterday that he had 14 staff. I do not want 14 people working with me, but I should like to be able to afford to pay two. To forestall questions from Labour Members, I should say that the hon. Member for Battersea (Mr. Dubs) and I were outside the Chamber whipping in hon. Members when we last discussed finance for research and secretarial assistance. We must have adequate funding for those facilities.

We are in the people business and, with due deference to information technology, we should not forget that fact. Most of our constituents do not want to be answered by machines; they want to be answered by people. If we are to answer people with people and still spend as much time as possible in the Chamber, we must have the necessary back-up.

I am sorry that the right hon. Member for South Down (Mr. Powell) is not here. On Radio 4's "Today" programme this morning, he made some remarks that I can describe only as sanctimonious and offensive, and it is a gross discourtesy to the House that he is not present to hear what hon. Members think of his comments. I put those comments on record so that the right hon. Gentleman will be able to read them in *Hansard*.

The right hon. Gentleman said that hon. Members who were unable to work without research assistants were incompetent. I have described how the nature of our role has changed. Another apocryphal story is that hon. Members used to put post aside for three or four weeks in the belief that if there was no second letter the matter was not urgent and the correspondence could be put in the dustbin. Nowadays, most hon. Members like to answer their mail. If we are to do that and still have time to serve on Back-Bench committees, Standing Committees and Select Committees and to do all the other things that hon. Members are required and want to do, we need back-up. It is a question of the service that hon. Members are required and wish to provide to their constituents.

Some hon. Members wish to bring televison into the Chamber and some wish to have radio broadcasting piped through the annunciator system. Those developments will involve information technology, but they would do more than anything else to drive hon. Members from the Chamber. Our staff outside the Chamber allow hon. Members to spend time inside. I believe passionately that those staff must be paid for.

12.23 pm

Dr. Jeremy Bray (Motherwell, South): The hon. Member for Thanet, North (Mr. Gale) is more representative of at least the younger generation of hon. Members than is the right hon. Member for South Down (Mr. Powell). The hon. Gentleman illustrated well the variety of roles of research assistants. I have quite a number of people working with me on various projects. They come to see me in St. Stephen's house without requiring a pass and, by arrangement with the attendants downstairs, they come straight to my office. There is no problem. If officials of the House and the Services Committee would consider discriminating between various types of research assistant, the apparent problems could be ironed out.

The Computer Sub-Committee has done the House a service in producing this report. By making specific recommendations it has concentrated the minds of hon. Members and the House authorities on the types of facilities that might be provided for hon. Members. I think that the hon. Members for Woking (Mr. Onslow), for Havant (Mr. Lloyd), for Yeovil (Mr. Ashdown) and for Redcar (Mr. Tinn) do not greatly disagree. I think that we all recognise the diversity of the interests and needs of hon. Members. It is a matter of working out how that diversity can best be served.

The Committee specifically recommended a wide-band local area network, with minicomputers at the nodes, and that every Member be provided with a £5,000 terminal. This would enable Members to receive not only the annunciator service and the public television channels in their offices, but any television channels generated within the House from the Chamber or Committee Rooms. The same terminal could double as a word processor and an electronic mail terminal for transmitting and receiving messages, and for tapping into information services such as Prestel and POLIS — Parliamentary On-Line Information Service—which is provided by Scicon on contract from the Library.

We do not necessarily have to accept that concept. It was based on a system installed in the Canadian Parliament, which is a less lavish model than the range of services provided by the United States Congress. After the Canadian service was designed, and while the Sub-Committee was working on its report, the microcomputer revolution swept into many hon. Members' offices. The increase in the secretarial allowance and the authorisation to use it for the purchase of office equipment enabled many hon. Members to buy microcomputers, which their secretaries and research assistants use mainly for word processing. The most widely used machines are the Apricot and the BBC Micro, both of which are capable of doing serious parliamentary and political work.

In 1983, after the pioneering work by my hon. Friend the Member for Redcar, I encouraged Labour Members to use the BBC Micro because that machine had a professional capability which was most widely used by their constituents and constituency parties and could, therefore, act more fluently as a means of communicating

[Dr. Jeremy Bray]

with them. Some Labour Members, like my hon. Friend the Member for Hammersmith (Mr. Soley), use Apricot. Conservative Members were encouraged to use one by discounts organised by the Conservative party. I do not think that users of either machine have regretted their choice.

The hon Member for Woking regretted the fact that evidence was not taken by the Sub-Committee from a wider range of hon Members, and I agree. It is fair to remember, however, that the installation of microcomputers was proceeding while the Committee was at work. My hon. Friend the Member for Blaydon (Mr. McWilliam) was most communicative about the extent to which the Committee's likely recommendations had an effect on the decisions that hon. Members made during the Committee's work. After its report was published, the Committee sent a questionaire to all hon. Members on the use that they were making of microcomputers. No doubt those replies are being analysed and will be available to the House.

Mr. McWilliam: To save time later, I assure my hon. Friend that we have received the replies. We are collating them and will publish the report shortly.

Dr. Bray: I am grateful to my hon. Friend.

An essential feature of Parliament is its communications with the outside world. That communication activity should be a major consideration in the design of communication and information services in the House. It should be as open and accessible to the outside world as possible. If an information service is valuable to hon. Members, the chances are that it will also be valuable to outside users. The more that it is used outside the House, the more useful will be the service to hon. Members. *Hansard*, for example, is no longer required reading for Ministers or senior officials, even in the Department responsible for a particular debate. Permanent Secretaries often do not even read speeches by their own Secretaries of State. Lobby journalists do not bother to scan *Hansard*, so that the value of speaking in a debate has been much diminished.

Likewise POLIS, because it was constructed mainly on bibliographical principles, is almost unusable for political purposes and is of little use outside the House. An hon. Member who is steamed up with Mr. Speaker or Mr. Deputy Speaker because yet again another hon. Member has been called before him might try using POLIS to prove that a certain hon. Gentleman is always on his feet. He will first have to find a member of the Library staff who can find her way round the labyrinthine code. The printout will be yards long. However, before he writes a powerful letter to Mr. Speaker, I advise the hon. Gentleman to take the precaution of looking up that huge catalogue of speeches by the offending Member, because many of those which are solemnly recorded in POLIS include such gems as "Rubbish" and "Bring baek Cecil" with, of course, full bibliographical references.

Most of the really useful services in the House are used by only a small proportion of Members. Annie's Bar, the Library, and particular services provided by the Library are examples. The same applies to computer services in the House. Any attempt to build up a standard service for Members will result in their being treated as low-grade clerks in social work departments.

Many computer companies would cheerfully stuff the House full of techno-junk with terminals gathering dust on Members' desks while other Members cadge access to useful services outside the House for which the House will not pay because not enough Members are interested. That is what I have been doing for 23 years.

Surely the right approach is to start from where we are and to build on what we have. Let us provide a simple electronic mail and parliamentary information service, readily available and installed, and operating through Prestel or BT Gold or some private service with communications software for the BBC Micro, the Apricot, the ICL and IBM PCs and possibly two or three other micros in common use.

Any hon. Member would be able to look up information, using his own telephone line installed at his desk in the House or outside. We should also let the public in. The House telephone exchange would not be involved. The overloading of that telephone exchange could arise only because of negligence, misuse, or by leaving equipment connected by mistake. Many solutions are in common use.

I checked with Lexis, the legal information computer service, now the only on-line legal information service operating in Britain. The highest number of lines that it has ever had connected simultaneously, with all the lawyers and legal organisations and the Government using the system, is 29. The House might establish a similar service which is accessible to the whole country. All that would certainly not justify yet another Department stuffed with more staff to clutter the Corridors.

In five or 10 years' time electronic media will be the prime form for the storage of and access to information, with print being only a supplementary form. A computer Department would be no more appropriate to the House's needs than a typing pool for all Members and all Departments would be now.

A computer Department concept is a relic of the old days of the mainframe. I remember my days in ICI, where I used to work 30 years ago. The computer Department established a priesthood, a bureaucracy, which stood between the real user of the system and the actual application that he wanted to get on with. The position today has drastically changed. It is possible to have and to operate open systems to which anyone can connect as a user or provider of information. It is possible for those services to be accessed by different grades of user paying different tariffs for different kinds of services. It is possible for access to be provided throughout the country over the public telephone network. It is possible for those services to have any required degree of confidentiality.

I checked with the IBM (UK) sales director about the volume of business on micros versus mainframes. He estimated that, for the first time, in 1985 the value of sales of micros and terminal equipment will exceed that of mainframes and associated bulk storage devices. Even for the manufacturers the position has flipped, from the mainframe centralised service to the micro service under the control of the end user.

The advice that the House gets from the Central Computer and Telecommunications Agency still reflects the old world. The CCTA is nothing like as good on micros and their application and extension as it is on mainframe systems. It learnt bitterly the lessons of the original attempts at PAYE computerisation, the computerisation of the Driver and Vehicle Licensing Centre, Swansea, and of

the Department of Health and Social Security at Newcastle. Today, the computerisation of PAYE is being superbly tackled.

However, in the provision of micros for running as essential a service for the Treasury model in the Treasury itself, the arrangements were made by the economists in the Treasury direct with the university outside, with the CCTA coming nowhere near. Such flexibility should be available to all Departments of the House, and certainly to all hon. Members. We cannot be cabined and confined to a particular channel of provision which some organisation in the House thinks it can provide for all needs.

Services should be developed for the business of the House as we conduct it. The Order Paper, next week's business, the state of Bills and so on are the basic material for the information service. The parliamentary unit being set up at Warwick university to give Select Committees and hon. Members access to all the United Kingdom national economy models is an example of the next stage of the work. The House of Commons Commission has budgeted £70,000 a year for five years to build up that unit to provide access to the testing of policies and alternatives on all the mainstream models of the United Kingdom economy. That service can be provided from outside the House, just as any other facility in the House which hon. Members, their staff, Committees and so on will have access to can be provided.

There is also the Central Statistical Office data bank, to which there is access in a room in Norman Shaw North used by the statistical department of the Library. Members of the staff sit there surrounded by all the volumes of the CSO publications. The cost of using the service provided by the commercial firm SIA, which has exclusive rights to the CSO data bank for the exploitation of its material, are so high that the Library staff will access the CSO data bank only two or three times a week. It is much quicker and cheaper for members of staff to get the volumes from the shelves around them.

Members do not have that facility. They do not have all the statistical publications on their shelves. They do not have big enough offices. Therefore, they cannot have access to the CSO data bank. However, the CSO data bank is available on floppy discs which the Library could tuck under a table anywhere in the outlying offices of the Library, with a facility for hon. Members to dial into the micro. They could have a service which is better than that on line to the SIA mainframe, which is so expensive that hon. Members cannot be allowed to use it.

The Clerk's Department has not put up the text of Bills, amendments or statutory instruments on the main legal information service, where they would be a great facility to those outside interests which want to see what Parliament is about and to have an up-to-date picture of the state of play on a Bill. It would be just as easy for the Clerk's Department to send off material and have it mounted in a data bank from which the printed copies could be made as it is to provide it to the printers today. The Clerk's Department should organise that. It should not be farmed out at prodigious cost to the Economist Intelligence Unit or some such great worthy organisation which will come up with a pompous solution which shows that it does not understand how the Clerk's Department works. It can be done. There are Clerks who are computerniks equal to any hon. Members who have spoken in the debate. The Clerk's Department could do that within its own resources.

The annual volumes of the Estimates are available in the Vote Office. They give hopelessly inadequate detail of the expenditure plans for major Government programmes. The hon. Member for Woking is interested in defence. The Navy's full procurement programme of all the ships that it buys each year is voted in one figure. The Ministry of Defence is prepared to provide the detail, and it is available. It is not confidential or secret, but it is not included in the Estimates. If it were included with comparable detail under other heads, it would become far too voluminous to publish. That data could be made available on a data bank. It could be accessible to Members and outside organisations. There is no reason why that should not be done more economically than the publication of those prodigiously expensive volumes.

Any four-year, £5 million programme aimed at putting a black Model T Ford on to every Member's desk is doomed to obsolescence before it starts at a time of such rapidly moving technology. The House should slip more comfortably into the computer age. If each Member in each Parliament was allowed to spend the £5,000 a year on the 1990 equipment and services that he needs, he would obtain far better value. We are, after all, a Parliament of Members, not a bureaucracy. The computer has got out of the bottle and democratised itself. It cannot be stuffed back by men in grey flannel suits. We should allow hon. Members the resources to use the new information technology effectively in the service of the House.

12.43 pm

Mr. Ian Lloyd (Havant): The hon. Member for Motherwell, South (Dr. Bray) always entertains and interests the House, especially when he speaks on a subject of this kind. If I may be permitted two preliminary reflections, the first is that on occasions such as this one realises that the House is not divided among members of the Conservative, Labour, Liberal or any other party. It is divided between conservatives and radicals. Even conservatives and radicals do not necessarily agree with one another.

I agree to a considerable extent with the hon. Gentleman. However, I do not agree with his condemnation of the scheme that we saw operating in the Canadian Parliament, to which I shall come in a moment. I share his objective. I do not believe that that objective would necessarily be prejudiced if we followed that example. He said that we do not want techno-junk, and of course we do not. There is a great deal of it about. One of the main grounds for much of the criticism of computerisation generally, let alone computerisation of the House, is that it gives rise to wasteful expenditure and the creation of computer junk.

The other general reflection which occurred to me arose from a remark of the right hon. Member for Lewisham, Deptford (Mr. Silkin), who said that my right hon. Friend the Leader of the House has a great sense of history. Sometimes history is valuable in providing us with a perspective. I recalled as he was speaking that I had read not long ago a comment of the great historian Gibbon on a man called Peter of Amiens. Gibbon's phrase was:

"Whatever he wished he believed and whatever he believed he saw in dreams and revelations."

[Mr. Ian Lloyd]

Most of us in our own particular way are vulnerable to that same characteristic. We wish for things and we tend to reinforce our wishes by choosing evidence selectively to support the view that we seek to put forward. Peter of Amiens had another characteristic, which Gibbon described as

"that vehemence of speech which seldom fails to implant the persuasion of the soul."

The Sub-Committee on which I had the privilege of serving provided an exceptionally interesting opportunity to see what is happening in Washington and Ottawa. Alas, it seems that its report is insufficiently vehement to persuade my right hon. Friend that something must be done quickly. The Committee struggled manfully, if that is the right word, to produce its report before Christmas 1984, but seven months have passed since the report was first before the House.

If we look back to the time when we realised that other major legislatures were moving forward on the information technology front, we are reflecting on a lapse of time of about 15 to 20 years and not one of seven months. That is the disturbing discovery that we made when were were in Washington. There is an old saying that one can take a horse to water but cannot make it drink. If one applies that saying to information technology and politicians, it would be appropriate to say that information technology can be introduced to politicians—the most exciting, dramatic and revolutionary development in man's intellectual endeavours since Gutenberg—but to get them to accept it and understand it is a problem to which even the gods themselves on Olympus would find no obvious or easy solution.

Some weeks ago I wrote in the House magazine that I thought I had heard the rumble of a bandwagon beginning to roll. I was wrong. Instead I heard the rumble of the tumbril. No bandwagon was beginning to roll and there is no evidence yet, despite what my right hon. Friend the Leader of the House said, that it is about to do so. This is exceptionally disturbing.

I cannot continue without paying my own tribute to what has been done for us with limited resources within a restricted scope by the staff of the Library. Shortly before the debate began, it published an excellent and useful pamphlet entitled "Information Technology: the Role and Services of the Library Department". It is remarkable what we have succeeded in doing on a shoestring. In some ways we can take pride in that, but is it enough? That is the question to which the Computer Sub-Committee addressed itself. It is said that comparisons are always odious, and I accept that comparisons with Congress immediately expose anyone who draws them to the remark that the United States is five times as rich as the United Kingdom and that a Congressman has responsibilities that are different from those of Members of this place. It is said that any such comparisons are invalid. I do not accept that. There are things we can and should learn from both Congress and the Ottawa Parliament.

I tend to apply the one-eighth rule. We have a population that is one quarter the size of the American population and perhaps we are only half as rich. Whenever we consider the allocation of resources for something which is a good idea and whenever it is to be found in the United States, the one-eighth rule should apply.

The Congressional brochure on information systems refers to office automation, electronic mail, survey processing, electronic voting and word processing, all of which are available to every member of Congress, and adds:

"These were only concepts ten years ago. For Members of the House of Representatives they are now a reality."

There is no such reality here. In my judgment and that of the Sub-Committee, there is no reason why that reality should not exist here, and we put the time scale for it at three years.

It was predictable that hon. Members would say that what we were proposing was, in the current national context, extravagant. I accept that all expenditure is extravagant and that what we propose must go through that mill of criticism. However, resource constraint is visibly less of a problem in some spheres than in others where the contribution made by the resources created is likely to be dramatic, effective and necessary.

Some hon. Members—for example, my hon. Friend the Member for Woking (Mr. Onslow), who I regret is not in his place—have implied that what we propose is not necessary. That claim cannot be sustained. The Sub-Committee found that the Canadian system—I remind the House that the Canadian Houses of Parliament were built at roughly the same time as ours and that their parliamentary procedure is roughly the same, being modelled on ours—made the most remarkably efficient use of resources and was a system which seemed, at least as a start, to provide us with a substantial proportion of what we had seen supplied in the United States Congress at hundreds of times the cost. We did not return and say, "We must do what Congress has done." We said, "Let us at least do what our daughter Parliament in Ottawa has done, because it has been done extremely well and we can learn from it."

Dr. Bray: I do not think—though I shall have to check—that the Canadian parliamentary system gives its Members of Parliament access to the up-to-date models of the Canadian economy. That is an example of how the Model T Ford does not meet the requirements of Parliament today.

Mr. Lloyd: I, too, must check on the exact procedure, but I believe that at least one of the 32 channels in use when we were there enabled the Member of the Canadian Houses of Parliament to gain direct access from his computer or word processing system in his office to all the major databases to which that Parliament had decided that its Members should have access.

Dr. Bray: There is a distinction between a database and a service. A service which gives Members access to the benefits and costs of alternative policies is much more sophisticated than a database.

Mr. Lloyd: I accept that qualification, and if the system does not provide the quality or range of service which the hon. Member for Motherwell, South (Dr. Bray) thinks is necessary, we can look into that when we decide to do something. I am not saying that, because this is something, we must do it. It is an effective and convincing system and I would have thought that the criteria which he suggested could be applied in our thinking on this issue. If it means modifying the Canadian system, let us modify

it and make it better, so that it achieves the more wide-ranging and desirable objectives that the hon. Gentleman has in mind. I fear that we are a long way from action. So far, it has been exhortation, information and discussion.

Last week the *Economist* published a survey of the approach by the City of London to information technology. That is relevant to what we are considering, not least because of the similarity of the problems and scale of resources being deployed, and I shall return to the point made by my hon. Friend the Member for Woking about our not being a business. The article commenced:

"Selecting the right tools takes time, money and a clear view of the future. All are in short supply."

Yes, all—including a clear view of the future.

What is the City of London spending to ensure that its decision-making process is relevant to the present? The survey estimates that about 5,000 firms in banking and finance had spent more than $2 billion on installed computer equipment by the end of 1983 and perhaps $2·3 billion by the end of 1984. The total is expected to reach $3·7 billion by 1988. The report goes on to describe what some of the smaller segments of the City and the financial information world are spending on information technology. Barclays bank alone, a major British bank, spent £100 million in 1985 and NatWest plans to spend £600 million in the next five years.

It may be argued that those are business organisations using that investment to earn and, as my hon. Friend the Member for Woking has said, we are not a business, but let us consider what the House spends in other directions. Only yesterday it was suggested in Standing Committee that coal subsidy is likely to be about £2·2 billion. My right hon. Friend the Secretary of State for Social Services has announced a £2 billion social security uprating and I do not dispute the merits of that. Closer to home, the revamping of the stonework of this building, which cannot be postponed, is costing £8 million. We must relate the proposed expenditure of a mere £5 million to the primary purpose of parliamentary government and the efficiency of this great institution. We achieve a better perspective by relating that modest sum to the primary purpose of ensuring not only that this institution functions efficiently but that its credibility survives.

A long time ago, Machiavelli said:

"Nothing is more difficult to plan, more doubtful of success, nor more dangerous to manage, than the creation of a new system. For the initiator has the enmity of all who would profit by the preservation of the old system and merely lukewarm defenders in those who would gain from the new."

I believe that that applies from start to finish in most of our debates about the application of information technology in the House.

From time to time, especially in summer, we observe the large flow of tourists who go first to the Tower of London and then to the Palace of Westminster. Mercifully, the original function of the tower no longer exists but a fascinating ceremonial function survives. People who come here, however, expect to see more than the ceremonial function and the splendid neo-Gothic structure. They expect to see three other things, too.

First, they expect to see a level of freedom of speech attained in few other institutions in the world, including our daughter Parliaments, and we are proud of that. Secondly, they hope occasionally to witness the rare phenomenon that can be seen only in a Chamber such as this — the quality that I would describe as political courage. That quality is rare, but it exists in the House. It would be invidious to name current Members on either side who exhibit it, but I am happy to refer to those who have passed through this place and who showed it in considerable measure. One thinks of Iain Macleod, Aneurin Bevan, Manny Shinwell and many others. Thirdly, the voters who send us here and who then come to see what we are doing expect to see this place acting with relevance and efficiency in its handling of the problems of the state. During the past 10 or 15 years, there has been a perceptible fall in our credibility when it is judged by that criterion.

I have a great affection for this place. The qualities that I have mentioned are such that no democracy can survive without them, but we shall not survive if our credibility falls so far that, when we are considering major legislation, which increasingly involves the most significant scientific and technological components, they are able to say, "Yes, they make very interesting speeches but they are not informed. They do not know. They do not have the information that they need successfully to monitor and check the Executive." That is why I tell my hon. Friend the Member for Woking that we are indeed a business—we are in the business of government. It is the most important business in the land and we shall discharge it responsibly and skilfully, as our constituents expect us to, only if we have all of the tools necessary to monitor the work of the Executive. That is the function of Parliament and we cannot discharge it without information technology.

1 pm

Mr. Bruce George (Walsall, South): It is difficult to follow such a powerful speech. I agreed with almost everything that the hon. Member for Havant (Mr. Lloyd) said. When the Leader of the House recalls what has been said and reads what has been said in his absence, he will realise that the debate has not degenerated into an orgy of anti-Americanism, as some feared, and that we have not fallen into opposing camps. If there are opposing camps, they are not to be discerned by the line that divides the Chamber. Hon. Members on both sides of the House want this legislature to play a proper role in modern government.

If we constructed a continuum of legislatures, the most powerful would be Congress and the least powerful would be the Supreme Soviet. I regret that we are probably nearer the Supreme Soviet end of the continuum in terms of influence. One of the reasons for that is that, although we are spending money updating the crumbling outside of the building, we have not taken time to update the internal crumbling by developing procedures such as a proper Committee system.

Now that we have a Select Committee system, we think that we have arrived for the next 30 years. I inform the House that I am doing some research contrasting the defence committees in 30 Parliaments. I can say without fear of contradiction that, although our Defence Select Committee is important and useful and one of the better of our Committees, we have about the weakest defence Committee in the Alliance and democratic legislatures. We cannot sit back and relax in the glory of what has been established. We must improve our procedures but, above all else, we must make ourselves more professional.

I believe that the Leader of the House will recall with regret his assertion that staffing is one of the current fashions. Adequate staffing is not a fashion but a

[Mr. Bruce George]

prerequisite of a modern, efficient legislature. I do not mean merely the proper staffing of Select Committees or the Library. I endorse the eulogy of our staff in the Library. They are wonderful but, in terms of numbers, they do not compare favourably with almost any other legislature that I have come across, although they compare very well in terms of quality. I am expected to feel guilty about wanting to use researchers and about going back and forth to the Library, but we shall be doing our job if we push the Library to its limit, have full access to technology and have the best possible staffing arrangements.

There are people who want to be professional, but we have what I call the *Daily Telegraph* philosophy of government. An editorial in that newspaper a few years ago said that all a good Member of Parliament wants is a good typewriter and a good secretary. The right hon. Member for South Down (Mr. Powell) epitomises that view. He sits in the Library and writes his speeches using his own brilliance. The rest of us are not so fortunate. We need information. It was ironic that the hon. Member for Woking (Mr. Onslow) denigrated research and then criticised the Select Committee for not having researched the subject properly. He cannot have it both ways.

It is important to recognise that our staffing arrangements are deficient and that we do not compare favourably with the legislatures in America on in Canada, which is a comparable legislature in structure, size and ethos. Yet it is light years ahead of us. The National Assembly in France and the Bundestag are much better staffed than is the House of Commons. It is all right for people to say, "We are going down the road towards the United States Congress." We do not compare favourably even with our parliamentary colleagues in Germany, France and Canada, let alone Congressmen.

Many hon. Members have mentioned American research assistants. I am partly guilty, if that is the right word, of instigating the system and of being one of the first to benefit from the entry of American interns as far back as 1976. I have been working, in a non-financial capacity, with educational programme abroad. As a student of the American west, I believe that American students here form part of what I would call the "Billy the Kid complex". By that, I mean that in the 1880s, any unsolved murder in the south-west of America was attributed to Billy the Kid. Here, if a photocopying machine breaks down, if something disappears or if the lights go out, it is attributed to the American students who, it is said, are flooding the place.

This morning, we heard a great deal of nonsense about catering facilities. Although stopping Americans using our canteen facilities might improve Anglo-American relations, I should stress that they are not allowed to use the Strangers cafeteria. A security man guards access to the restaurant facilities. Americans cannot use the Library and have limited access to some parts of the House.

The latest manifestation of the Billy the Kid phenomenon was on the front page of *The London Standard* a few days ago. It relates to the Minister of State, Department of Trade and Industry, who sports the most famous eye since Nelson or Harold, and it states:

"Mr. Lamont is said to have told colleagues he got it"—

his black eye—

"when he walked into a door left open by his American research assistant."

I have not the slightest interest in whether the Minister walked into someone's fist or into a door but, if he was looking for an excuse, why did he not use one of a hundred other explanations instead of blaming his American research assistant?

That is a humorous example, but it demonstrates this phenomenon that pervades the House, partly because many hon. Members, research assistants and the police have an interest in ensuring that foreign research assistants are kept to a minimum.

I could not function as a Member of Parliament without access to good research assistance. We are given the magnificent sum of about £12,000 a year to pay for a secretary, out of which we must pay national insurance contributions and about £2,000 for equipment. That does not allow us enough over to use the Brooking Institute for research. Far from making matters worse for the British taxpayer, the use of such research assistants from America or from any other source saves the British taxpayer from the natural consequence of the growth of the legislature. Those who are unenthusiastic about research will not seek out an intermediary and say, "Would you find me a research assistant, because I am desperate to have one?" If they do not want free assistance, they will not approach my hon. Friend the Member for Huddersfield (Mr. Sheerman) or me. However, those who want research assistance and who cannot afford it have their natural desire for more staff dampened by access to free advice and assistance in the form of foreign or British students.

The people who come in are criticised and alleged to be CIA or KGB spies. Goodness knows what such spies would expect to find in this place. Another criticism is that they are badly dressed, but in many ways they are the best dressed people in this place. They are also alleged to be rather stupid or clueless.

To any hon. Member with an American or British intern who does not meet that Member's requirements, I say clearly, "Throw him out". If a Member retains a student who does not meet his requirements, he has no right to hold a scarce seat in the building. If an education institution allocates a duff student who is not interested, is only here for a holiday, is not prepared to work and does not know much about the subject, a Member should not use that institution again and should tell his friends not to use it. If an institution cannot deliver the goods in terms of good quality students, Members should have nothing to do with it.

Many myths are circulating and some have been mentioned today. Democracy is expensive — one has only to rattle off the cost of this place to see this—but the prerequisite of democracy is surely not Members of Parliament getting their information simply by reading *The Guardian* or the *Daily Telegraph* in the morning and then mouthing off. Government and society are getting much too complicated for that. Even in the 19th century the position was too complicated, and we cannot get away with it any more. We need a good system and adequate staffing. If we do not get such staffing, power is going to drain away from us to the Executive even faster. No wonder the Government do not want to see us having more staff, because the fewer staff we have the less burden we are to them. They can cope with the silly *Guardian*-inspired or *Daily Telegraph*-prompted parliamentary question. What they cannot cope with is the well-researched question in Select Committee or the Member of Parliament who has researched his information. That

does not come by osmosis on the Library floor; it comes as a result of somebody working and providing the Member with the information.

There are, however, legitimate criticisms. The numbers of foreign students are too high and must be restricted. I totally endorse the recommendations in paragraph 24, especially 24(3). On the matter of Educational Programme Abroad, when there was a minor crisis in 1977 EPA said, "All right, if there are any problems we have 30 students here"—there were only 30 American students around at that time"—"and the EPA will voluntarily reduce the number to 20." That was what it did. Whenever there is a problem the EPA is very quick to respond in order to avoid the kind of hassle that could emerge.

Allegations about spies have never been substantiated. There are worries about security, as there should be, but where there is anxiety why not follow the suggestion of the EPA and Rochester university? They say, "Why not subject students in the USA to a form of security vetting within the USA before they come here?" Legitimate means are available to do that. My right hon. Friend the Member for Lewisham, Deptford (Mr. Silkin), in a speech I greatly admired, said the onus for security ought to be on the Member. I do not agree entirely. I could know that a student had been checked by university authorities, but I have no absolute guarantee that that person does not belong to a subversive organisation.

If the Leader of the House wants a guarantee that subversive individuals will not infiltrate the House, he should consider the suggestion for some form of vetting abroad. If the students do not wish to submit themselves to that in the USA because it would violate their constitutional principles, then they need not come here, because if they want to come they will have to meet the requirements laid down by the House.

Mr. Shepherd: Paragraph 23 of the report addresses itself to that and the right hon. Member for Lewisham, Deptford (Mr. Silkin) also talked about it. Does the hon. Member not feel that the ultimate responsibility must lie with the Member himself? It is up to the Member to check whether or not a student has been through a security vetting and to take responsibility for the outcome. He cannot pass the buck to somebody else.

Mr. George: Perhaps the real answer lies in a combination of both our approaches. Ultimately, the Member must be responsible. However, a very good suggestion has been made. There could be some form of additional information presented to the Member or to the House authorities before the necessary pass was issued. If there is any concern about security, other methods must be explored.

Organisations are sometimes criticised for bringing American students here. If they and we are prepared to meet the criticisms as far as possible, that should remove the criticism levelled against them. There are crises. The photocopying equipment often breaks down. I have already written to the House authorities having had a minor altercation with a photocopying machine two nights ago. To my knowledge, no American was within 50 yards of the machine at the time, and I accept total blame for its breakdown.

The problems of dining facilities have been over-exaggerated, because students are barred from them at set times.

Some hon. Members say that they cannot see how the students are useful. A lot depends on the use made of them. If they are good and if the sponsoring organisation is competent, they are very useful. If the sponsoring organisation is competent, it will have put the student through a preliminary reading test in British politics. Before coming here he will have to have shown a knowledge of British politics.

The report contains considerable detail about the work of the Educational Programme Abroad. It has a lengthy induction course, and a system of lectures in British politics throughout a student's period here, and every effort is made to try to meet the objection that these young people are coming here with very limited knowledge. If other schemes cannot meet those requirements, it is their problem, and hon. Members should not have recourse to those students.

If a Member of Parliament knows how to use him, a student can be of inestimable value. Anyone who is interested, as I am, in foreign affairs and defence looks for a student who intends to do a master of arts degree course in international relations and not one who specialises in social security. If the student's interests are matched up with the Member, that overcomes the alleged mismatch of competence.

I am pleased that much of the paranoia expressed in the press about foreign interns has not been repeated today. There are problems, and it would be foolish to close our eyes to them and to the people expressing those criticisms. If this report is implemented, it will go a long way towards assuring Members of Parliament and the public that the criticisms are not entirely valid.

What is far more important is that we must get it across that the foreign student coming here and paying thousands of dollars for the privilege of working for a Member of Parliament is a temporary phenomenon until we have adequate resources to employ our own full-time staff. Until that day comes, I remain grateful, as many other hon. Members are, to anyone, British or foreign, who is prepared to give up his time and put his expertise at my disposal and that of the House and my constituents.

1.14 pm

Mr. Gary Waller (Keighley): Like my hon. Friend the Member for Havant (Mr. Lloyd), I am an enthusiast for information technology. In fact, I was enthusiastic about it before the term was invented. In my hon. Friend's terms, I consider myself a radical.

It should be recognised that information technology is not necessarily good for everyone, especially for every hon. Member. Comparing the work of Members of Parliament with that of company executives or officers in local government, it is not as self-evident as it is in those cases that information technology will be an absolute advantage to hon. Members. In both local government and private companies there will inevitably be a repetitive pattern of activity that is ideally suited to computerisation. In Parliament, however, no two days are the same. Constituency cases vary so much that the scope for computerisation is not so great as it is in organisations of the kind I have mentioned.

The Committee that considered the information technology needs of hon. Members failed to recognise that fundamental questions need to be asked before coming out wholeheartedly in favour of an integrated system, but this is what it did. Many, if not most, of the facilities to which

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both the Committee and the hon. Member for Redcar (Mr. Tinn) referred are already available. They can be obtained by using the individually chosen equipment of hon. Members, many of whom have either word processors or microcomputers. They could gain little by having an integrated system or local area network. As for word processing, standard letters are useful for dealing with standard problems, but many constituency cases vary from the norm.

We also have to ask ourselves a fundamental question about the free post. Members of Congress in the United States can make almost unlimited use of free post and send out many standard letters. We have not yet defined what is a circular and what is an item of correspondence. Because of the new technology, we may need to consider a new definition.

There is no reason why hon. Members should not use electronic mail to talk to each other either by means of their microcomputers talking to other microcomputers directly or by using a mail box system, such as British Telecom Gold. An internal electronic mail system, a local area network, could be justified only if it was interactive to the extent of allowing parliamentary questions to be put down on the Order Paper electronically from one's desk, or of allowing names to be added to early-day motions, or of allowing new early-day motions to be tabled. But do we want that to happen? That question has not been asked.

Reference has been made to the fact that too many parliamentary questions are asked, at enormous cost. There is a motion on the Order Paper about too many early-day motions being tabled, so would it be advisable for us to provide the means for many more of these activities to be carried on, as they undoubtedly would be, without giving a great deal of thought to the matter?

The other main reason for the provision of microcomputers and computers generally is access to data bases. Hon. Members could use POLIS and other data bases without the kind of multi-million pound system that has been recommended.

As for that part of the report which refers to the implementation of these proposals, the Committee's proposal is that 36 hon. Members should take part in an initial pilot scheme. But would not the 36 hon. Members be the ones who have already shown a great interest in computerisation? What are they supposed to do with the equipment that they already have? Are they expected to get rid of it because it is incompatible with the common system?

We should adopt the suggestion of the hon. Member for Motherwell, South (Dr. Bray) and build on what we already have. Information technology in the House should be promoted, but only on an evolutionary basis. We should not throw out what has already been achieved by adopting a completely new system. The technology is changing. There will probably be greater compatibility in five years' time and many of the proposals of the report may not be necessary then. The Economist Intelligence Unit report suggests the introduction of a minicomputer system, which now looks out of date, and we may find that the proposals of the Computer Sub-Committee will also look out of date in three years' time.

On Members' accommodation and facilities, I have had mainly good experience of British and American research assistants. I do not believe that they are best used in examining detailed Government policies before hon. Members come into the Chamber to make a speech. I find that they are particularly useful for doing work on constituency problems, to make it less necessary for hon. Members to have to trouble Ministers. Much ministerial and Civil Service time can be saved.

Many hon. Members do not make good use of research assistants. They can be particularly helpful in dealing with constituents' problems and delving for information that hon. Members could find but for the lack of time that afflicts so many of us.

Of course, some temporary research assistants are would-be permanent assistants who are waiting for one of the 200 permanent passes that enable them to use the main Library at certain times. However, not all permanent research assistants who have worked for an hon. Member for more than a year use the main Library. Our current definitions are not helpful and, as the Librarian pointed out, some hon. Members hang on to permanent passes because they may need them at some time in the future.

The present system could be refined and improved even before any major changes are contemplated. The problem is that the sort of rules proposed in the report would be arbitrary and unfair to many hon. Members. The report proposes a four-month time limit on the employment of research assistants, but I can find no logical justification in the report for that recommendation. There is also a proposal that limits should be imposed on the number of permits issued. That would be unfair, because if I wished to offer a temporary position to a researcher in, say, two or three months, I could not give him or her a guarantee that a pass would be available at that time. There is no suggestion that passes could be reserved in advance.

My hon. Friend the Member for Woking (Mr. Onslow) proposes a limit of two passes for each hon. Member—one for a secretary and one for a research assistant. That would probably hit hardest senior Privy Councillors and some former Prime Ministers who tend to maintain larger staffs.

My hon. Friend the Member for Boothferry (Sir P. Bryan) suggested tht there should be exceptions to the rule, but all hon. Members are supposed to be equal and I see no reason why some should be excluded from a rule. That is another reason for not adopting rules that would be unfair to some hon. Members.

Mr. Simon Hughes: The hon. Gentleman mentioned the four-month limit. If we are trying to increase the number of British students who help us, perhaps a three-month limit would be more logical, because that would be more compatible with the length of a term in an academic year. We may need to ensure such flexibility if we are to get good people for a sufficient time, while taking into account other demands on their time and our ability to employ them.

Mr. Waller: I agree with the hon. Gentleman. Three months would be more sensible than four months, but unfairnesses and anomalies would still arise, and I should like to see some justification for such a rule before it was introduced.

Some hon. Members want to have two researchers each on one day a week. They would not be able to do so if a rule limited them to only one research assistant. Although, superficially, the proposal of my hon. Friend the Member for Woking looks attractive, it has many drawbacks.

The right hon. Member for Lewisham, Deptford (Mr. Silkin) suggested that the Leader of the House might not want other hon. Members to be as well informed as he obviously is. Perhaps more pertinently, one could ask whether the Executive, which will have to foot the bill, wants to give a bigger bite to the parliamentary watchdog. I wonder whether that question will be answered.

1.30 pm

Mr. Tam Dalyell (Linlithgow): This morning at 7.20 I burst the proverbial blood vessel when I heard the right hon. Member for South Down (Mr. Powell) on the radio. He is sui generis, but he is also a Privy Councillor. Had he not been a prominent Privy Councillor, he could not have argued as he did. Incidentally, if he had had better research, he might have known a little more about the biochemistry of human embryos.

I preface a question to the Leader of the House with a small tale. I was in the Table Office struggling with those very clever Clerks about questions on "that ship". The right hon. Member for South Down came in and I said to him breezily, "Enoch, you need Greek iambics to get anything on the Belgrano out of Ministers." Quick as a flash he said, "Greek iambics should be applied to everything in life." But government is not just about debate. Does the Leader of the House agree with the views of his former colleague? I detected a Powellite view in what the Leader of the House and the hon. Member for Woking (Mr. Onslow) said. Does the Leader of the House agree, or disagree, with the right hon. Member for South Down? We deserve to be told.

The Library is not just an educational institution. The House of Commons Library is not the Library of Congress. Are we expecting our Library to perform a tutorial role for research students? Many extremely gifted and clever people work in the Library, but I am not sure that the Library has a tutorial role. My hon. Friend the Member for Walsall, South (Mr. George) referred to the "Billy the Kid" aspect. Is it true that certain research students have torn pages out of library books and documents?

Mr. Peter Bruinvels *indicated assent.*

Mr. Austin Mitchell: Why take the hon. Gentleman's word for it?

Mr. Dalyell: I have looked at the documents listed. In a letter the hon. Member for Macclesfield (Mr. Winterton) stated:

"Dear Major Le Fanu.

It is with some reluctance that I write to you, but I have for some time, together with a number of colleagues who have offices in Norman Shaw North, been concerned not only about the number of American Research Assistants, the hours which they work, the facilities which they use (sometimes, I am reliably informed, for their own purposes and that of a Member of Parliament)".

At least my questions, about which I am sensitive, are my own.

In my defence, if I ever ask for statistics, I am scrupulous about asking for "conveniently available" statistics. Ministers are entitled to give answers stating, "The answer can be obtained only at disproportionate cost." If that happens to me, I take it like anyone else, because I am sensitive about Civil Service costs. The proviso is that a Member could challenge such an answer and ask Mr. Speaker whether he thought the answer was unreasonable. That would be the safeguard for hon. Members.

The Table Office should be out of bounds to anyone other than a Member of Parliament. If research assistants have to deliver questions, a delivery box should be located elsewhere in the building. It is wrong to expect the Clerks to spend time negotiating the format of questions.

I do not intend to be the school sneak, but I said to a friend, a member of the Conservative party, "I see that you have tabled a very interesting question on subject X." I was met by a bewildered, blank look. I said, "Yes, pursuent to one of mine". Somewhat sheepishly he confessed that his research student must have tabled it. It transpired that my friend and political opponent had signed a number of blank question forms. That really is naughty. Questions should not be tabled without the Member being certain of what is involved, otherwise costs will be increased.

I know that the pot and kettle syndrome applies to questions, but I am concerned about more open government. This would reduce the cost of questions. I have the experience, unforgettably and indelibly imprinted upon me, of those 11 days in court No. 2 at the Old Bailey during the trial of Clive Ponting.

I do not know whether the Leader of the House will be pleased, because what I am about to say could damage both him and me, but I agree that Government did have a rougher time in the past. In our parliamentary youth there was a great deal more scrutiny. Particularly under his Government, the politicisation of the Civil Service has occurred.

Much is said about merit awards for civil servants. On what grounds? Because they agree with Ministers, and particularly with what Ministers think the Prime Minister thinks? What about the business of catching the Prime Ministerial eye for Civil Service promotion? If resources are to be devoted to scrutiny and to the work of the House I should like an inspectorate-general, or something of the kind, to whom civil servants can go if they think that they are being abused in the answers that they are supposed to give to parliamentary questions. That might be regarded as fanciful. I see that my hon. Friend the Member for Motherwell, South (Dr. Bray) is smiling, but let me tell him that I am in the exalted company of Sir Douglas Wass, the former head of the Treasury, who takes roughly the same line. Questions are costly when there is something to hide.

I gave my word to my hon. Friends that I would sit down after eight minutes, and that I shall do now.

1.38 pm

Mr. Peter Bruinvels (Leicester, East): I am glad finally to be called to take part in an important debate on accommodation. We should be debating not only accommodation for Members' staff but accommodation for ourselves. At the turn of the century there were 670 hon. Members, in 1918 there were 707, in 1945, 640 and in 1983, 650. From what I can ascertain from my own research, in days gone by people managed all right. If anybody should be looking for better accommodation it is Members and not their research assistants or secretaries. I have sympathy with the secretaries who work in overcrowded conditions.

In days gone by Members did not have a desk or an office. Until 1969 they were not even allowed to use the phones free. The secretarial allowance did not come in

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until 1969 when it was introduced at £500. It has risen considerably since, but we must keep the issue in proportion.

It is a privilege to be a Member of the House. We should not come here with caps in hand demanding extra money and extra resources without carefully thinking about what the House costs to run the country.

In an answer from my right hon. Friend the Leader of the House only yesterday, I was told that 273 hon. Members had their own room, 242 shared their room with one other, 30 with two others, 32 with three others and 62 with four or more others. Most interesting of all, 11 hon. Members do not have accommodation, although there are no doubt reasons for that. We should be examining that problem before considering the problem of accommodation and facilities for research assistants and secretaries, although there is overcrowding in the House.

Members of Parliament did not even get paid until 1912, when they received £400. They now receive over £16,500. One of the problems is that, with so many research assistants, the House costs the country more. My right hon. Friend the Leader of the House said that four years ago it cost £35 million to run the House. That increased to £57 million in 1984-85. Research assistants have contributed to increasing that cost.

I felt as though I had been hit when my hon. Friend the Member for Boothferry (Sir P. Bryan) spoke about the number of hon. Members' questions. I confess that I ask a large number, but I do so in the interests of my constituency, because I have a marginal seat, and because I plan my campaigns. I believe in self-interest and self-survival!

The report is already out of date. Research assistants seem to be breeding like rabbits. The figures rise alarmingly year by year. The report shows that in 1985 two hon. Members had 9 research assistants, one had eight, four had six, three had five, nine had four, 235 had one, but 310 had none. The 310 who have managed without the permanent services of research assistants have not endangered their survival nor discredited their useful role.

Unlike any other hon. Member in the Chamber, I have been a research assistant in the House. That was in the days when the Norman Shaw North branch Library was not even properly opened. There were only 12 of us for the whole place, and only the Government and Opposition Front Bench spokesmen had them. It is unacceptable that we had, as I was told in a parliamentry answer on 3 June, 452 research assistants in 1984, and have 469 in 1985. That increase is worrying.

This is a rare occasion for me, but I reinforce the view of the hon. Member for Linlithgow (Mr. Dalyell). Some research assistants are putting to the Table Office questions that hon. Members have never seen. I know that several hon. Members sign blank forms for tabling questions, and the research assistants do the rest, which is wrong. We are intelligent enough to think up our own questions.

It is fair to say that research assistants have clogged up this and the peripheral buildings. My secretary has to share a room in Deans Yard with a number of research assistants and the secretaries of two other hon. Members. It is overcrowded and the secretaries therefore cannot get on with their work. That office was the attendants' cloakroom and WC.

The hon. Member for Hammersmith (Mr. Soley) said that I had said that each hon. Member should have no more than one research assistant. Let me put it another way. Each research assistant must be paid. Of course, everyone likes something for nothing, but we are seeking long-term improvements in the House. We need research assistants who can help us perform our duties.

I am worried about the temporary research assistants who seem to be rushing all over the place. I remember in 1976 two American research assistants being caught on the fifth floor of Norman Shaw using baths belonging to the staff. Things may have changed since then, but I am worried that not all of them respect the facilities that are available. They might block the photocopier or disrupt the normal affairs of the day. No one would deny that the Library research assistants do excellent work. There are only 18 of them, but they play a marvellous role. They know what they are talking about and they are obliging to anyone who asks them for help.

I am worried by the report's suggestion for a number of temporary research assistants. I do not agree with that. There will be no proper control over them. The report recommends that research assistants should be properly vetted and that hon. Members should be responsible for them. That is a good point.

I accept that some research assistants will be doing serious work which might advance their studies. The idea that we should allow in temporary research assistants for up to 16 weeks is completely unacceptable. It is a student summer vacation job, and I do not think that the House should permit that.

I regret the fact that the lobbyist has not been considered. I know of one case where the research assistant is the managing director of the company of which the hon. Member is a director. It is strange to have a research assistant who is the hon. Member's boss outside the House whereas the reverse applies inside the House. It is worrying that such people should have access to such valuable facilities within the House. They can pay for POLIS and other data, but why should they have unlimited access to the building and to any Government publications? That costs them nothing, but it costs us and the country a great deal, and it benefits their public relations company. The point was not covered in the report, and that is a serious omission.

I am anxious about the number of identity passes that are issued. So far this year 1,081 identity passes have been issued. There were 1,061 issued in 1984, but only 916 in 1982. As the report correctly points out, that number of people imposes even more pressure on inadequate facilities. There are too many temporary pass holders. In 1982 there were 77 and in 1984, 308.

Excessive demands are made on the Library. The report states that 9,408 calls were received in 1976, when I was working in the House, and in 1984-85, 50,000 calls were received. Of those, 10,500 were from research assistants. In 1976 they made only 144 calls. Is that fair to the Library staff? Is that the right way to run Parliament?

Access to the Library must be more carefully monitored. Access to the Library by research assistants is allowed only on Mondays and Fridays between 10 am and 12 noon. As the Library is closed, they do not have access on Saturdays. Major statements are made during the middle of the week. It is then too late to obtain a brief from the Library. Unless we are doing our duty here on a Friday, Parliament is off for the weekend and access to the Library

on the Friday is not of much use. For those reasons, the research facilities of the branch Library are used. It is far too crowded.

All research assistants should be employed for a fixed period and should be paid. I do not want to see cheap labour employed. I am not saying how much they should be paid because that is a private matter between a research assistant and the Member concerned.

I ask the House to consider who is taking advantage of whom. The research assistant comes cheap and is a willing hand. He is bubbling with enthusiasm and thinking up parliamentary questions. What does he gain out of his position? He has free access to the House and is able to mix with senior Members. He receives help with research projects that will probably help him in his law and politics degree at the London School of Economics. I agree with the hon. Member for Linlithgow that papers disappear from the Library. I know that research assistants use the telephones for non-parliamentary work.

It is interesting that 192 hon. Members do not employ secretaries. However, 15 secretaries work for two hon. Members each and one secretary works for three hon. Members. There are 342 secretaries working for and helping one hon. Member each. Apparently 612 secretaries have been issued with photo identity passes. That information was contained in an answer that I received from my right hon. Friend the Leader of the House yesterday. Secretaries should be given first consideration, not research assistants, if we have them.

Our crowded facilities demand that action be taken. I do not know whether the number of research assistants will be limited to 100. Equally, I do not know whether our secretaries will be moved out of the Palace to the Norman Shaw building and other peripheral buildings while we, the Members, remain here. I am not here to debate that issue at any length. When the Bridge street building is opened in 1990, presumably there will be an opportunity for secretaries to be situated outside Members' offices. I put that forward as a suggestion. That will make it possible for the Member and his secretary to work closely together. However, I do not know whether that will be done.

I am concerned about the growing number of other staff in the House. There are 931 staff and officers. There are 705 who work for the associated agencies, such as the police, the firemen and those responsible for the property services. There are 315 staff and officers in another place and 82 research assistants and secretaries.

An old chestnut that I continue to raise is that the House is working longer hours. I have studied the figures right back to 1900. I believe that the presence of research assistants has contributed to the House having to sit longer. We seem to be rising later. In 1984-85 the average time of rising was 12.52 am and the latest time of rising was 8.44 pm the next day. Also, we are sitting on more days. We sat for 213 days in 1983-84 and 198 in 1974-75. I agree that hon. Members are busier now than before and that they receive 14,500 letters daily on average through the House of Commons sorting office. I understand that 6·5 million postal items were received here last year.

There are more Bills for Members to consider and it is clear that the day is becoming a busier one. We spent 555 hours considering Government Bills in 1983-84 and only 469 in 1980-81. European legislation is taking too much time. We must ask ourselves how we can improve our facilities. The answer might lie in bringing in computers and having easier access to Government records. That will help, but I ask that the House revise its sitting hours. In 1902 the House sat between 2 pm and 11.30 pm. In 1939 to 1945 the time of rising was changed to 10.30 pm. Since 1945 we have retained that rising time but, of course, the House sits regularly beyond that hour. I urge my right hon. Friend to bring the sitting to an end at 12 o'clock midnight at the latest. If he considers the possibility of morning sittings under Standing Order No. 2, I shall be with him all the way.

I urge my right hon. Friend carefully to consider the new telephone system that is to be introduced. I know that the hon. Member for Blaydon (Mr. McWilliam) is ready to speak on the subject. I am aware that we are in the computer age, but I understand that the cost of the new telephone system will be £2,037,000, which is incredible. It is an extravagance that we do not need. We can buy our own calculators and digital alarm clocks. The new system is unnecessary.

This House has slowly moved into the 20th century. We have certain privileges. Whatever we say of them, I am sure that we should all fight at the hustings to return here and to those privileges—in other words, to do the job under the conditions that now exist. That is why I urge caution before any changes are made. We want Parliament to be kept in check both financially and politically.

Several Hon. Members *rose*——

Mr. Deputy Speaker (Sir Paul Dean): Order. The wind-up speeches are expected to start at about 2.10 pm. Four hon. Members still hope to speak in the debate. I hope that I shall be able to call all four.

1.56 pm

Mr. Austin Mitchell (Great Grimsby): Following the 20-minute speech by the hon. Member for Leicester, East (Mr. Bruinvels) in which he urged hon. Members to make briefer speeches, I hope that when he next gets his research assistant to prepare his speech it will be much briefer.

We are today debating essentially the role of the Member of Parliament, and we have heard some neanderthal views on what that role is or should be. We perform a collection of roles. I am the representative of Grimsby and of the interests and industries there; I am a focal point for the problems of my constituents, problems which they bring to me in large number; I regard myself as a party man—that being an essential part of our job because we were elected on that basis — and that involves advocating the policies of the party; I am a Committee man and a legislator; I am a generalist, practising general supervison over the Executive; and I must increasingly be a specialist, concentrating on certain areas, if I am to help make progress in a modern society. I am also a public figure. Some like that and some do not. It is one of the accidents of the job. Being a public figure, one gets mail and business associated with being in that position.

We have so many jobs to do that keeping up with them is not the simple task that the right hon. Member for South Down (Mr. Powell) made out on the radio this morning, in a contribution that has hovered over this debate. For us to keep up with any or all of those jobs in a modern society, with all its complexities, we need much more assistance than was available in the past or than is provided by the House.

It is up to us how much we do, and there is little check on performance. It is for us to decide how many roles we

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tackle. If we decide to make the best of as many of those roles as possible in the service of our constituents, we should be provided with the tools to do that job—to do it in our own way and on the basis on which we have decided to tackle it.

It might help if I related my experience. Like most others, I started out as a Member of Parliament with one secretary. She was based in Grimsby because the problems are there and people came to my door with them. That secretary found quickly just how much work was to be done. A section in the book by Philip Williams on the life of Gaitskell tells of a Leeds Member of Parliament who, in the 1950s, received 50 letters a month. I receive 50 every day or two. My secretary in Grimsby soon found that she needed somebody to do the typing while she tackled the problems.

I need somebody in London to do the necessary research for the multifarous problems that arise daily or weekly in the House. I also need someone to type for me in London; typing has to be done both here and in the constituency. The Member becomes a sort or perambulating centre. I need a nucleus of organisation from which to perambulate as I go to Committee and other meetings and drive to Grimsby and tackle all the other tasks.

When it comes to providing the backing that we need, this is a legislative slum, the mother of sweatshops rather than the mother of Parliaments. Most other parliamentarians have far better backing. Such facilities as are provided here are under strain. To blame American researchers, when we have called in people from the new world to redress the inadequacies of the old, is monstrous. We have turned to American researchers because they do a good job and we need their services.

I admit that there are problems, including problems of turnover. The Library staff must help the assistants, because they come and go. They would have to help any research assistants who came for only three or four months. The problem has nothing to do with Americans but with the inadequate provision by the House of Commons.

If the facilities are under strain, let us expand them. It is ludicrous to say that the Library is a finite resource. There are 250 rooms in the Palace of Westminster available for hon. Members. It seems that 144 rooms in the building are used for accommodation, some of them only occasionally for that purpose. Why cannot the Library expand to fill the space available?

Why is it made so difficult for us to do our jobs? Queueing time to take visitors around the House has now extended to half an hour because of slow search procedures, not to mention the time spent chasing around to get tickets. Numerous problems are caused by aging and inadequate accommodation. If the House would provide the proper facilities and staff to make the job easier, we might have a right to complain about the Americans who have done so much to ease the problems generated by the present system.

On information technology, I agree with my hon. Friend the Member for Motherwell, South (Dr. Bray) that personal computers should be provided for Members as quickly as possible, each choosing his own computer. The House could use its purchasing muscle as an institution to obtain those facilities more cheaply and the money that would otherwise have been spent can be used to help to provide services for those computers.

We are becoming overworked and bogged down in detail and we are struggling in our inadequate fashion to survive by taking on American research assistants or whatever other staff we can find. It is up to the House to allow us to do the job that we believe is necessary to serve our constituents as they deserve.

2.1 pm

Mr. Paddy Ashdown (Yeovil): Having listened with interest to later contributions, I apologise for not being present when the Leader of the House opened the debate. I wish to comment briefly on the information technology aspect. First, however, I echo the excellent comments of the hon. Member for Great Grimsby (Mr. Mitchell). I agree wholeheartedly with the hon. Gentleman, who seems to be addressing the needs of the House in the modern age. Some of the comments of Conservative Members were more like babblings from the palaeolithic ooze.

Serving a modern democracy and modern needs means the provision of sufficient staff and adequate conditions for them. I cannot allow this opportunity to pass without commenting, as other Members have commented, on the disgraceful conditions in which we expect staff to operate. I agree with the hon. Member for Leicester, East (Mr. Bruinvels)—this is the only point on which I agree with him—that conditions for Members may be inadequate, but that conditions for staff are nothing short of disgraceful. The staff have to work in hen coops, the noise level is intolerable and it is virtually impossible for them to do their jobs, which usually command salaries which would be unacceptable elsewhere. For far too long we have relied on their enthusiasm rather than providing decent conditions. Members also need decent allowances to pay their research and clerical staff properly.

I believe that the Sub-Committee reached good and far-sighted decisions on what should be done about information technology. Out of the alternatives before it, it chose to allow flexibility for Members to link their own personal computers to a local area network. I believe that that decision is appropriate and correct, although it is contrary to the recommendations of the Economist Intelligence Unit.

Two small points, however, deserve further attention. First, although the report is a good one, I believe that it gives insufficient attention to that aspect of a Member's work which, as the hon. Member for Great Grimsby stressed, relates not to his job in the House, but to his activities in relation to his constituency. I should have liked more attention to be paid to whether it is possible to set up a communications network with a constituency, to do constituency work more efficiently. Some recommendations were made about hardware, but software is at least as important. Although we might be able to get away with flexibility on hardware, it would be sensible to have much less flexibility on software, because that is the point at which we can have an appropriate interface.

As for funding, we have not taken on board the considerable difference between new technologies and present equipment. We are talking of an outlay of at least £2,000 or £3,000 to equip a Member of Parliament. Although it is accepted that a computer has a life of only two or three years in the present environment, we have no

mechanism for allowing for depreciation of that equipment. If we ask Members of Parliament to pay such large capital sums, we should have a system which enables us to allow depreciation for two or three years to accumulate the necessary sum.

I congratulate the Committee on coming to broadly the correct conclusion.

2.6 pm

Mr. Clive Soley (Hammersmith): The things that disturb me most about what the Leader of the House and some of his hon. Friends have said is that they appear to believe that we can have democracy on the cheap. If we start from a low base and operate from a legislative slum, we must expect costs to rise rapidly. We must also expect the quality of our democracy to be poor if we do not have the necessary resources. When I hear some Conservative Members say that a few filing cabinets are not used properly, I fear that we are being taken back not to the 19th century but before then.

The Leader of the House has a respect for the House which I understand, accept and encourage. He must remember the aims of the people who inhabited this House in the last century. They were higher than they are today. He should try to match that quality rather than take us back, on the assumption that we can repeat something rather than move with technology.

As is stated by an early-day motion which I and several other hon. Members of all parties tabled a few weeks ago, and which has attracted more than 200 signatures,, for Members who want it, the House should aim for a minimum of one secretary and one researcher and allowance for equipment and accommodation. If we fail to aim for that as a minimum, we shall continue to misuse students and people from companies who are used as professional advisers. Students and advisers are becoming the red herrings of this argument.

A good secretary is worth between £8,000 and £12,000. Taking account of the movement of prices between 1984 and 1985, I pay an amount similar to that recommended by the Top Salaries Review Body for secretaries in the House. I bought a computer, for which I spread the payments over two years to try to keep within my budget — a loan which I had to take out and pay back by monthly instalments from my allowance. I now find—I hope that the Leader of the House is listening carefully, because I and other Members are coming to see him on Monday about the allowance — that, allowing for my secretary's salary for the rest of the year, I must draw from my salary to pay any new expenses until April next year. When the Leader of the House hears me playing a violin outside his flat at 6.30 pm next Monday, I hope that he will be fairly generous.

I have a researcher who works for me voluntarily. He is highly qualified, like my secretary, and would be able to earn a good salary outside if he could get a job. I cannot pay him a salary, although I pay as much as I can towards his expenses in coming here and doing the work. The nonsense is that by the time I have paid for a good secretary—who could earn more outside the House than she gets from me—and for my computer, plus the odds and ends that come up from time to time, I must pay for everything else out of my pocket. That is wrong.

The number of hon. Members employing secretaries increased from 30 per cent. in 1971 to 99 per cent. in 1982, and the number employing research assistants increased from 9 to 58 per cent. during the same period. There is no reason to believe that the problem will go away, and to blame the problems of the House on increasing staff is like blaming unemployment on the unemployed. The hon. Member for Boothferry (Sir P. Bryan) said that we cause work by coming here and doing our jobs. If we follow that logic to its conclusion, the first mistake that we all make is to get out of bed in the morning. Obviously, we must cause work when we come here. If you, Mr. Deputy Speaker, the Clerks and hon Members had not got out of bed this morning and come here, there would have been no work for anyone. We must remember that the priority of this place is to be a democratic legislature, with the resources to do the job properly.

The Top Salaries Review Body accepted that the secretarial and research allowance should be about £13,650 at mid-1984 prices. I would have wished to quote from that report, but, in view of the time, may I simply ask the Leader of the House to examine the sections dealing with secretaries and their salaries and the allowance for office equipment?

Why will only 200 permanent research assistant passes be issued at any one time? If we aim to have one assistant per Member, we should provide enough passes for that. The legislatures in Australia, Canada, the United States, France and Germany pay their members a decent rate to do the job properly.

I could have said much more on the subject, but the most important thing is for the Leader of the House to live up to our traditions and to ensure that he provides hon. Members with the facilities to do their job properly in the way that they wish, and to maintain the high standards that have been set.

2.11 pm

Mr. John McWilliam (Blaydon): I kept my brief remarks until near the end of the debate because it was important that as many hon. Members as possible should have an opportunity to speak.

The report with which I am most concerned—the one on information technology — does not deal with information technology. It deals with solving problems for Members and with solving the problem of our increasing caseload. It deals with the problem of our increasing work load in relation to the increase in central Government. Problems have been caused by the additional work that we must do following the introduction of the departmental Committee structure. We have problems with the speed at which things happen and our need to get information quickly. Another problem is the geographical distribution of hon. Members and the fact that our constituents expect to see us regularly, which was not the case in the past. Therefore, although we must spend a great deal of time away from this place, we must still be able to deal with any problems that arise.

The Economist Intelligence Unit produced a report based on a survey conducted among hon. Members at the end of the previous Parliament. Many of those who took part in the survey are no longer Members of the House. Indeed, many of those who entered the House after the last election have considerably more knowledge of and skill in information technology than Members who came in even during the previous Parliament.

The Select Committee decided that there had been a change in conditions and that we should do something about it. We took much wider evidence than appears in the

[Mr. John McWilliam]

report. We took informal evidence, too. Earlier, someone said that hon. Members must ensure that they have word processors. that can take on the Goverment's word processors. One of our informal evidence sessions included an examination of the information technology system in the Cabinet Office. It is reasonable to ask that hon. Members be similarly or at least as well equipped.

The report made several recommendations, which can be broken down into two parts. First of all, the report was written to be as transparent as possible in terms of finance and in terms of those things we do not know and cannot find out without a pilot. The first stage was the suggestion of a pilot scheme. That will run in conjunction with the planning of the second stage, which is the main scheme.

The main scheme will have to take place in some form or other within the next four years, because the annunciators are running down. They work on the 405-line television standard and the only people making sets to that standard are the Swiss. We cannot buy them in Britain any more. There are various estimates of the cost, but to put a new annunciator into somebody's room where there was none before would cost about £1,000. It is daft to install 1959 technology in 1985. We might as well have the best technology available to us. The report is clear that the House of Commons is not the test bed for anybody's state of the art. What we want is tried and tested hardware and software applied by people who know what they are doing.

An important part of the report is that which deals with management structures for the system. We have not suggested setting up a massive new department in the House. We suggest buying in the talent we need for the length of time we need it, and for no longer. There are two reasons for that, and the first is that we must get the best possible people. The other reason is the sheer problem of accommodation. We do not have the room to set up another department. If every Member who has a secretary located that secretary somewhere in the parliamentary buildings, they would have to double up on desks and work in shifts. There are insufficient desks for all the secretaries of Members.

The other report deals with pressure on Members' accommodation. I was privileged to serve on that Committee as well, and should like to pay tribute to the speeches by my right hon. Friend the Member for Lewisham, Deptford (Mr. Silkin) and the hon. Member for Hereford (Mr. Shepherd). They complimented the Library staff and if anything they were understating, because we get a far better service than we ought to expect, given the conditions under which we make people work and the kind of salaries that we pay. I cannot compliment them highly enough. We will have convergent technology, because the information technology for Members, and the Library and the telephone system will all come together.

At the moment we are negotiating a new contract for the POLIS system. The present contract had run out and we had to extend it for a year. We worked closely with the Library Sub-Committee and meet jointly with it and the Accommodation and Administration Sub-Committee. This report is a modest one designed to address a specific problem, and I cannot understand why we are debating it on the Adjournment of the House. We ought to have had a statement from the Leader of the House saying, "This is being implemented tomorrow because the problem is pressing."

One or two aspects of the information technology report need to be explained a little further. My hon. Friend the Member for Motherwell, South (Dr. Bray) and others expressed the need for open-system architecture so that our machines, in our constituencies or wherever they are, can have access to the system. That is not precluded by the report. We have suggested a technical working party to get over those problems. There are one or two other aspects as well. I am grateful for the views of Members' staff as well as the staff of the House. We had evidence from the trade unions and met the secretaries' council on two occasions, and we took on board some of the views they put forward. The most important one is that, until we get the new building and start reconfiguring the accommodation, there is potential for some difficulty, with large numbers of printers concentrated in a small area. We need that flexibility of accommodation to solve the problem.

We cannot have flexibility of accommodation if we do not go ahead with the main scheme. Unless we have an effective electronic mail system and an annunciator system which gives us all the information that we need where we need it, we shall be restricted in the places where we can locate Members and staff. It could especially frustrate the design to get all the Members into the House and all the staff out of it and into the new building. To achieve that objective, it is no good starting to cable this place in four years' time, because phase 1 will be complete. What is more, an electronic mail system does not operate if most people do not have access to it. It does not operate on the basis of a small group. To give us the flexibility of use of the new accommodation as it comes in, we need to make a start now.

That brings me to one or two remarks of the Leader of the House and several other hon. Members. We have been told that there is great demand for public funds. We have been told that much work needs doing and that the money is not available. That is a very dangerous argument coming from any Government. I remind hon. Members that the duty of Back-Bench Members is not strictly that of Government and Opposition. As Members of the House, we have a duty to scrutinise the Government's expenditure. However, the Leader of the House is saying, in effect, "We shall continue to be the Executive and to deny you, the Members of the House, the money for the research assistance and the information technology equipment that will enable you to scrutinise effectively."

A great many hon. Members speak about the need for more research assistants and secretaries. Currently, it costs £150 per square foot per year to accommodate a research assistant or a secretary in the kind of accommodation that we shall be putting up. I contend that by implementing the information technology report we shall reduce the pressure for more researchers. We do not have to reduce it by very many at £150 per square foot per year to pay for the lot three or four times over — to say nothing of the secretaries—and the Leader of the House has not taken that into account when doing his sums for this project.

There are other aspects, and we need to take more evidence. We need more information. We need to talk to the Under-Secretary of State for the Environment. He has written to us and wants to talk to us. We shall do that.

As for any detailed consideration of the work to be done in the House, no one needs to tell me about the difficulty of cabling in a building of this description. When I was an apprentice, I lost a cable in the middle of a five-foot thick wall in the National Library of Scotland. That taught me

two lessons. The first is not to lose cables. The other is that my vocabulary was extended quite a lot when the foreman discovered what had happened. I know the difficulties involved, but that is what the technical working party is about. There is no case for Members of Parliament, who are not qualified, to sit around talking about how we get over the technical problems of cabling the building.

I have seen the way that the cabling was done in the Canadian Parliament building. It is a very similar building to the Palace of Westminster. The layout of the adjoining buildings is similar to the layout of our own outbuildings. The problems are the same. In Canada, it has been managed very elegantly.

Finally, I pay tribute to the marvellous contribution to the debate of the hon. Member for Havant (Mr. Lloyd). All the members of my Committee have given me great support, and I am very grateful to them. The Leader of the House cannot say that money is not available for the pilot scheme. The new telephone exchange was estimated to cost £2·25 million. We got it for just over £2 million. There is enough money left in the kitty to pay for the information technology pilot scheme. It could be started now. I do not understand why the Leader of the House will not authorise it. All I can suggest is that it is because the Treasury has told him that it wants £250,000 back from the House of Commons.

2.25 pm

Mr. Biffen: I have restricted my reply to five minutes, not out of disrespect for the hon. Member for Blaydon (Mr. McWilliam) but out of the belief that this is an occasion when the House will wish to participate as widely as possible in a debate about this building and its arrangements.

I have been asked to provide two figures. First, on the significance of Select Committees and their cost to Parliament, I understand that it is between 1 and 1·5 per cent. of the total cost of running Parliament, exclusive of the salaries and allowances of hon. Members. Secondly, the cost of Parliament is rising at about double the rate of the rise in the retail price index. The figures will be placed on the record because they are of general interest. I shall see what can be done by way of a written answer.

The debate has ranged widely and has been a very good blood-letting circumstance. Reference was made by the hon. Member for Hammersmith (Mr. Soley) to a point that is not dealt with in the two reports, namely, the value of secretarial and research assistance. I understand that the hon. Member is to see me on Monday evening. I look forward to that fraternal occasion, so perhaps we may reserve the further exchange of pleasantries until then.

At the heart of our interest in the information technology report is our belief that the construction of the Bridge street site will provide Members of Parliament with an opportunity to repossess the Palace of Westminster. It is a considerable ambition and has to be related to projections of expenditure and of the budget of the Property Services Agency. I noticed that the hon. Member for Blaydon was keen to regale us with tales from his youth as an apprentice electrician. Had he been an apprentice accountant or an apprentice book-keeper, he would have known that he could not be quite so lighthearted about the financial implications of the proposals. Hon. Members must look for evolutionary change, a point that was mentioned by the hon. Member for Motherwell, South (Dr. Bray), and try to achieve as broad a consensus as possible.

As for research assistants, the debate demonstrated that there is no such thing as an average Member of Parliament. It is an abstract concept. We have the combined experience of 650 people who adopt completely different approaches to work and completely different attitudes to what constitutes good parliamentary tactics. There needs, therefore, to be a measure of understanding so that what is deemed to be essential for one hon. Member does not necessarily impinge upon another who does not particularly want to use these particular adjuncts and aids.

I recognise the limitations of an Adjournment motion, but the question of research assistants is one where conditionality already exists. We are not talking in absolutes; we are talking about redefining the conditionality that attaches to research assistance. So I thought that there was some merit in having a debate to discover whether anything further could be taken into account before resolutions are put to the House to deal with the problem that has been so helpfully addressed by the Committee under the chairmanship of the right hon. Member for Lewisham, Deptford (Mr. Silkin). I hope that I can atone for any lassitude in these matters by saying that we can come back to the House, with a view to taking some decisions, in the reasonably near future.

It being half-past Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

DHSS Offices (Islington)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Peter Lloyd.]*

2.30 pm

Mr. Chris Smith (Islington, South and Finsbury): I wish to raise the subject of the conditions for public and staff in local Department of Health and Social Security offices serving the London borough of Islington.

The House has spent much time today discussing the difficult and inadequate conditions that hon. Members have to endure in doing their job. The subject of this debate is even graver, because it concerns the conditions that members of the public and hard working members of staff in the DHSS have to endure in carrying out their tasks.

I shall concentrate on conditions in the Tavistock square office of the DHSS, which are particularly bad. My hon. Friend the Member for Islington, North (Mr. Corbyn) will speak about conditions at Archway tower where a claimant armed with an air rifle recently attempted to attack another claimant. The rifle was later found in the toilets and the circumstances that enabled that incident to occur have caused considerable alarm to members of staff, especially in the light of what happened at the Westminster office of the DHSS recently.

About a month ago I received a letter from a constituent who was nearly 40 weeks pregnant and was claiming supplementary benefit and a maternity grant. She wrote:

"I went to the DHSS again on 31st May 1985 a Friday. I waited to be seen all day. I was there at 9.30 am waiting for the door to be open and stayed there until 3.45 pm. At 1 pm I was told I might as well go out for 1 hour get something to eat and find a toilet. I did this and returned at 2 pm. At 3.45 pm I was told that they had not been able to find my file and that I should return on Monday.

On Monday 3rd June 1985 I went to DHSS at 11 am, after a hospital appointment. At about 2.30 pm I was told that they had found my file and that someone would see me which happened about 3 pm. I was told I would receive a giro the next day. By this time because I had not been paid for the period before 24th May 1985 I had no money not even the bus fare and I had only been able to afford a cup of tea all day. I asked for payment that day and about my maternity grant. I was told that I could wait and get my giro and that the grant would be sorted out. I got the giro at 5.20 pm and just managed to cash it."

That was a disgraceful way to treat a woman who was nearly 40 weeks pregnant. The tragedy that she endured is repeated many times over for many of my constituents at the hands of local DHSS offices. I hasten to say that it is not the fault of the staff in those offices; it is the fault of the conditions that they and the public have to tolerate and the facilities that are available.

At the Tavistock square office there is seating on hard wooden benches for 50 people in the public waiting area, which is a small and dingy room. On most days there are far more than 50 people waiting. Many have to stand and some have to wait outside. The conditions in the waiting room are appalling. I sat there for half a morning to observe what happened and the conditions that people had to endure. I was lucky—I could go away. I am paid at the end of the month. The conditions endured by people who depend upon DHSS assistance are appalling.

The gross overcrowding is made worse by the fact that there is no privacy in many of the interviewing cubicles. The acoustic qualities of the screens are so poor that people have to shout to be heard by the officers. The private details of their medical, social and family circumstances are broadcast to the world.

Even worse is the fact that people waiting in that office have no toilet facilities. If she is lucky, a woman is allowed to use the staff facilities behind the counter. A man is told to use the car park at the back. In 1985 such conditions should not be imposed on citizens seeking their rights from a Department.

Staff conditions are not much better. In 1982, 66 staff were working in the Tavistock office; there are now 92. In 1982, the 66 staff had just about enough room to operate satisfactorily. In 1985, with 92 staff, the staff space is grossly overcrowded. In addition to those staff who form part of the complement of officers at the DHSS office, there are regional reserves and detached duty staff. Because of the enormously heavy work load of the office, many of those people work there regularly. The already overcrowded conditions are thereby made worse.

There is no proper ventilation system for staff. Some years ago, double glazing was installed to cut out the enormous traffic noise from the busy corner on which the office stood. The ventilation system, which was first requested by the trade unions seven years ago, was supposed to be installed in June this year. There is still no sign of it. The recent hot weather makes life even worse for the staff trying to operate in such overcrowded and hot conditions.

Next year, computers are supposed to arrive. New technology is to be installed. This will take up a lot of space and, at the moment, there is no space in which to put that equipment. The result is an incredibly low level of morale among staff, frayed tempers and a reduced ability to deal with the public's problems. There is a high turnover of staff, especially of clerical officers who do much of the most important work in the office. In the past six months nearly 20 clerical officers have left the office.

It is clear that the conditions that the public and staff have to tolerate are a disgrace. Several years ago, my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) raised this matter with the Department. Nothing has been done. Better facilities are desperately needed for that office, and I suspect the same is true of other offices throughout the country. There have been some half-hearted attempts to improve matters. It is proposed—this has not yet been implemented—that board and lodging payment matters should be hived off to a separate office dealing only with them. The management at Tavistock square has asked the authorities to grab some scattered rooms from other organisations elsewhere in the building. Those are not sufficient answers to the major problem caused by the lack of facilities and space available to people who have to work in or claim from that office.

The Department should be able to give some help to the many hundreds of people who have to put up with the conditions. The Government must provide resources to make the facilities better and tolerably decent.

An attempt has been made to tart up the waiting area at Tavistock square. A splash or two of paint has been put on the walls and some new tiling placed there. Appropriately, they depict scenes from Dickens. Nothing could sum up better the Government's attitude in refusing to allow anything other than Dickensian conditions for the public and the staff at that office.

I plead with the Government to show some concern about the facilities, the conditions, the space, the dirt, filth

and degradation that people have to put up with at Tavistock square. I plead with the Government to provide better facilities and to make that office a decent place so that people may go there, not as supplicants, not as Dickensian waifs, but as people who deserve to claim their rights in decent and tolerable conditions. I hope that the Government will show that concern and make a commitment this afternoon.

2.43 pm

Mr. Jeremy Corbyn (Islington, North): I thank my good Friend the hon. Member for Islington, South and Finsbury (Mr. Smith) for allowing me to take part in the debate. He represents the southern part of the borough and I represent the north. I am in regular contact with claimants' organisations, welfare rights organisations and the trade union involved in the administration of a large social security office at Archway tower, where most of my constituents go, although some go to the office in Hackney. Archway tower is a huge building. The best that one can say about it is that the view from the staff canteen on the top floor is probably the best in London. What one can say about the rest of the building is not so complimentary.

About 34,000 claimants use Archway tower from the Finsbury park and Highgate offices. Only 400 staff handle that work. The building is leased and not owned by the DHSS. It is a tall, 15-floor building with serious structural problems. One is that it contains a large amount of asbestos. This has been removed from the public and waiting areas, and a system of identification of asbestos panels throughout the building has been agreed with the trade unions. I hope that all the asbestos will be removed. Can the Minister say when it will be removed, and whether he and the DHSS are satisfied with the presence of such a large amount of asbestos in a sealed building?

The windows are also causing a problem. The DHSS and the owners of the freehold are in dispute, and the windows have not been cleaned for some time. However, a window cleaning cradle has been erected and I hope that the cleaning will begin. In the meantime, staff are in difficulties because they cannot see out of the windows by their desks.

Staffing levels in the building need serious examination. A large amount of overtime is worked, and a large number of casual workers are employed, which has led to disquiet among the staff. This is an area of high unemployment—about 25 per cent. of workers in my constituency are unemployed — and to allow staff shortages is inexcusable. Such a large amount of overtime and taking on casual staff with no future are equally inexcusable. The DHSS must review the staffing position to take account of the increasing demands on that building. The trade unions have made numerous representations about this matter, as there is a great deal of staff disquiet.

There are other problems, such as the appalling problems of queueing and waiting within the building. There have been demonstrations by claimants, by unions and by other people because of the frustration over the queueing. A constituent phoned me at the House only 10 minutes ago to say that when she went to claim her housing benefit this morning 40 people had been waiting for an hour or more because there were only two staff on duty in that section. She was not critical of the staff — she complimented them—but she wanted to point out the problem.

As my hon. Friend the Member for Islington, South and Finsbury said, there is also the problem of reception areas in DHSS offices. The problems that he described in his constituency apply to the office in Archway tower. We are looking for an understanding of the fact that people who use Archway tower regularly do not like queueing outside, or even inside, and the atmosphere of hostility that is being engendered between claimants and staff in the DHSS. This atmosphere is created by the Government's underfunding of the DHSS and by the fact that they do not recognise the serious problems consistently faced in inner-city areas, with the growth of unemployment and a great many claimants.

As my hon. Friend the Member for Islington, South and Finsbury has pointed out, the atmosphere of trust that needs to be developed between claimants and staff of the DHSS cannot be developed while there are inadequate facilities and overworked, underpaid and often ill-trained staff trying to deal with people who are justifiably angry and frustrated at the inadequacy of the benefits which many of them receive and the poverty in which they are forced to live.

I hope that the Minister will seriously consider our points about the offices in Islington. Perhaps he will visit them himself and join the queues to see what the offices are like. He may then agree to provide extra staff and more and better facilities, such as toilets, telephones and so on, which will make life a little more tolerable for some of the worst off in our society.

2.47 pm

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. Ray Whitney): I am glad to be able to respond to this debate. I seem to make a habit of responding to the hon. Member for Islington, South and Finsbury (Mr. Smith), whether on another of our interests, foreign affairs, or now, on social security. Not infrequently, he is accompanied by his colleague the hon. Member for Islington, North (Mr. Corbyn).

Mr. Corbyn: We go together.

Mr. Whitney: Yes, the two hon. Members go together. I am tempted to make other comparisons, but I shall not.

Both hon. Members have raised important points about staff conditions and conditions for claimants. I am happy to respond to the points that they have made, not least because, since I had the privilege of joining the Department of Health and Social Security, I have started a campaign of working my way around the 500-odd local DHSS offices.

I have been impressed by the quality of the staff, the dedication they show and the understanding they have of the extremely complex system that has grown up over the past 40 years in the administration of our social security system. I am optimistic that the reforms proposed in the review published by my right hon. Friend the Secretary of State for Social Services on 3 June will lead to improvements in the conditions for staff and will make the system more simple over the next two or three years. That will be good for the staff and good for the claimants.

The impact that we have achieved over the past two or three years in improving our services to the public has been marked. This has been a priority sector for the work of the DHSS in recent years. The results can be seen. I do not

[Mr. Whitney]

deny that there are problems at the offices to which the hon. Gentlemen referred. I ask them to accept that there is a strong thrust in the DHSS's policies towards achieving improvements in conditions for the staff and claimants and for the delivery of our enormous social security programme which will amount to £42 billion a year, after the November uprating.

It is ludicrous for the hon. Member for Islington, North to denigrate the social security programme. That was completely unjustified. He fails to recognise what the Government have achieved by providing increases in the social security programme above the rate of inflation and in addition to the impact caused by the unemployment figures. It does no service to the case that the hon. Gentlemen are putting to the House to ignore those facts.

I have not yet been to the local offices to which the hon. Gentlemen referred. I have a long-standing engagement to visit the Bloomsbury office. I hope that the hon. Member for Islington, South and Finsbury does not think that it was fixed to coincide with this Adjournment debate, because that is not the case. I have been to the Hoxton office, which I hope will be familiar to the hon. Gentlemen. I was very impressed by what I found there. They will be better aware than I am that it is an area with social problems. The service which the Hoxton office delivers is an example of what can be done by local DHSS offices. I have a number of friends who have spoken highly of the service that they receive from that local office.

Difficulties have been experienced at the two local offices that we have been discussing. Today, we have focused more on the Tavistock square, Bloomsbury office. I do not quarrel with many of the points made by the hon. Member for Islington, South and Finsbury about overcrowding and the lack of facilities. We are conscious of them, and we are doing what we can to improve them. He should understand how the pressures on the services have exploded during the past two years. The supplementary benefit case load has virtually doubled over three years. No public service can normally be expected to respond to that pressure, because, as I am sure he accepts in his more charitable moments, buying and selling property in central London creates serious problems. The high volatility of the case load is one thing, but the use of social security resources, be they for benefits or real estate, must be planned over a longer period.

We accept that changes are necessary and some have been achieved. The hon. Gentleman dismissed uncharitably—somewhat uncharacteristically—what has been achieved. We have spent about £40,000 recently improving the area used by claimants. The area occupied by the interviewing booths has been increased by 213 sq ft. I have details of the achievements which that expenditure has produced already.

The fundamental difficulty has been created by the increased case load. In 1982, for example, there were fewer than 5,000 claimants and this year there are more than 9,000. Despite the improvements that we have made in accommodation for members of the public, the premises are not large enough to deal with the present caller load. We hope that during the next 12 months it will be possible for us to acquire more space in the building, provide a better service for the public and better conditions for the staff.

The hon. Member for Islington, South and Finsbury referred to the treatment of a pregnant lady. I understand that the local office manager is making inquiries into the hon. Gentleman's allegations. He will report to me and either he or I will let the hon. Gentleman know about the detail which has been found. It is true that there are currently no toilet facilities at the office but it is normal office practice for pregnant women, the elderly and the infirm to use the staff facilities that are available. The hon. Gentleman suggested that the way in which a certain pregnant lady was treated is typical of the way in which the public are treated at the office. That I firmly reject.

The staff work hard within the facilities that are available to ensure that people such as the pregnant lady to which the hon. Gentleman referred are given special and favoured treatment to the extent that that is possible. It is of benefit to no one to exaggerate as the hon. Gentleman did. I understand that, when he visited the office in February, he was not dissatisfied with the efforts that were being made and the situation which he found. We both agree that under the present new case load the premises are insufficient.

Mr. Chris Smith: The Minister referred to one of my visits to the office, during which I met a number of members of the management staff. I was not dissatisfied with their desire to improve matters. They concurred with me when I identified one of the problems as the hierarchy of the DHSS beyond them not providing sufficient resources and not being determined to improve matters.

Mr. Whitney: The hon. Gentleman must take account of the fact that the overall budget of the social security programme has increased in real terms as I have described. Since 1979, it has increased in real terms by 30 per cent. and that cannot be gainsaid. The improvements that we have achieved at the Bloomsbury office within a tight structural framework are important. We hope and intend that in the months to come there will be still further improvements.

The staff are operating under great pressure. Many in Government service are, and that is undeniable. We have increased the staffing complement and the staff in post is at a level that is significantly above the agreed complement. That is not to say that I do not recognise that the staff are working under great pressure.

We have good service from our staff and we are making great efforts to continue to improve conditions for claimants. I refer the hon. Members for Islington, North and for Islington, South and Finsbury to the remarkable improvements that have been made since the Labour Government left office in 1979. The fundamental conclusion that we must all draw is that there is an absolute need to simplify, streamline and bring up to date our social security system. That is precisely the thrust of the reforms proposed by my right hon. Friend the Secretary of State. That is what will be achieved by the continued and improved computerisation programme. We hope that the new mainframe local office computers will be in operation in the next three or four years. That will do great things for the staff and claimants in the social security system.

The Question having been proposed after half-past Two o'clock and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at Three o'clock.

Written Answers to Questions

Monday 1 July 1985

CHURCH COMMISSIONERS

Redundant Churches

Mr. Peter Bruinvels asked the hon. Member for Wokingham, as representing the Church Commissioners, how many churches have been declared redundant since 1 January; and if he will list them.

Sir William van Straubenzee: Fifteen churches have been declared redundant since 1 January 1985. They are as follows:

Church	*Diocese*
Lozells St. Silas	Diocese of Birmingham
Ellel Grange St. Mary	Diocese of Blackburn
Goodnestone St. Bartholomew	Diocese of Canterbury
Berners Roding	Diocese of Chelmsford
Colchester St. Leonard	Diocese of Chelmsford
Darlington St. Hilda	Diocese of Durham
Hopton Cangeford	Diocese of Hereford
Llanrothal St. John the Baptist	Diocese of Hereford
Stretton-en-le-Field St. Michael	Diocese of Leicester
Baysson Hill Christ Church	Diocese of Lichfield
[illegible]ley St. Luke	Diocese of London
Forn[illegible] St. Mary	Diocese of Norwich
East Stoke St. Mary the Virgin	Diocese of Salisbury
Throapham St. John the Baptist	Diocese of Sheffield
Stumbermill St. Mark	Diocese of Worcester

HOUSE OF COMMONS

Summer Recess

Sir Dudley Smith asked the Lord Privy Seal how many times Parliament has risen for the summer recess on or after 1 August since 1955; and if he will give the years in question, with the date the House rose.

Mr. Biffen: The House of Commons has risen on or after 1 August 15 times since 1955. The dates are as follows:

2 August 1956
2 August 1957
1 August 1958
4 August 1961
3 August 1962
2 August 1963
5 August 1965
12 August 1966
3 August 1971
9 August 1972
7 August 1975
6 August 1976
3 August 1978
8 August 1980
1 August 1984

TRADE AND INDUSTRY

CLOFT Scheme

Mr. Fry asked the Secretary of State for Trade and Industry, following the refusal of the EC to accept the CLOFT scheme for assistance to the clothing, footwear and textile industries, what steps he is taking to help these industries; and if he will make a statement.

Mr. Trippier: My Department has a wide range of schemes currently available to assist the development of industry, including the clothing, footwear and textile industries. These schemes have recently been repackaged and a copy of the brochure "Support for Business" was deposited in the House of Commons Library. The clothing, footwear and textile industries have also made proposals which are currently being considered by the Department.

Footwear and Leather Industries

Mr. Fry asked the Secretary of State for Trade and Industry what steps he is taking to assist the footwear and leather industries to adopt new technology; and if he will make a statement.

Mr. Trippier: As regards the footwear industry I refer my hon. Friend to my answer of 1 July 1985. The Government have provided £1·1 million in assistance over the last two complete financial years under the Science and Technology Act to help the Shoe and Allied Trades Research Association (SATRA) undertake programmes of benefit to this industry, particularly in areas of application of new technology. The Government have similarly provided £456,000 to the research wing of the British Leather Confederation (BLC).

Telephones

Mr. Golding asked the Secretary of State for Trade and Industry (1) whether he will now ensure that all public telephone operators display notices explaining how coinbox telephones can be used by people with hearing aids;

(2) whether he will now ensure that all public telephone operators fitting Statesman telephones ensure that the models can be used by those wearing hearing aids; and whether he will make a statement.

Mr. Butcher: The obligations required of licensed telecommunications operators are matters which are the responsibility of the Director General of Telecommunications. I am drawing the hon. Member's questions to his attention with the request that he write to the hon. Member.

Mr. Golding asked the Secretary of State for Trade and Industry whether he will now publish the code of practice for the magnetic coupling of telephones to hearing aids prepared by the working group on telecommunications for the hearing-impaired and issued to members on 31 May; and whether he will make a statement.

Mr. Butcher: The code of practice is a useful guide for telephone designers and hearing aid designers. I am grateful for the efforts put in to it by the working group. The Office of Telecommunications is arranging for the code of practice to be published shortly.

Ford Motor Company

Mr. Grylls asked the Secretary of State for Trade and Industry when he expects to receive appropriate

undertakings from the Ford Motor Company following the Monopolies and Mergers Commission report, Cmnd. 9437.

Mr. Fletcher: I shall make a statement on the position when discussions with Ford are concluded.

Mechanical Engineering Products

Mr. Hoyle asked the Secretary of State for Trade and Industry (1) what was the average value per tonne of total United Kingdom imports of mechanical engineering products; and what information he has as to how this figure compares with the average value per tonne of total imports of mechanical engineering products into France, West Germany, Italy and Sweden in the years 1960, 1965, 1970, 1975, 1980 and 1983.

(2) what was the average value per tonne of total United Kingdom exports of mechanical engineering products; and what information he has as to how this figure compares with the average value per tonne of total exports of mechanical engineering products from France, West Germany, Italy and Sweden in the years 1960, 1965, 1970, 1975, 1980 and 1983.

Mr. Fletcher: I shall reply to the hon. Member as soon as possible.

Information Technology Centre 6502, Manchester

Mr. Tony Lloyd asked the Secretary of State for Trade and Industry if he will explain his reasons for his decision to withdraw industrial support funding from the information technology centre 6502 in Moss Side, Manchester; and if he will make a statement.

Mr. Norman Lamont: As with all information technology centres, Moss Side 6502 has been eligible for pump-priming support of £75,000 over a period of 3 years. The extent of the support was made clear at the outset of th ITEC programme in 1983 and all ITECs have been encouraged to engage in commercial activities to ensure sufficient funding after the support is exhausted. I understand that in the case of Moss Side 6502 the £75.000 has been taken up.

Copyright

Dr. Mawhinney asked the Secretary of State for Trade and Industry (1) what action Her Majesty's Government will take to ensure that the United States Government comply with the general agreement on tariffs and trade ruling of March 1984 which determined that the manufacturing clause in the United States Copyright Act infringed the general agreement on tariffs and trade;

(2) what response he has received, as a signatory of the general agreement on tariffs and trade, from the United States Government concerning the general agreement on tariffs and trade's ruling of March 1984 which determined that the manufacturing clause in the United States Copyright Act infringed the general agreement on tariffs and trade;

(3) what assurances have been received by Her Majesty's Government that the manufacturing clause in the United States Copyright Act will lapse in 1986.

Mr. Fletcher: The United States Administration have assured GATT members that they intend to conform to the ruling which condemned this legislation, and to amend United States law accordingly. A ruling accepted by the contracting parties to the GATT is binding in international law. The offending United States law is due to expire in June 1986. My right hon. Friend has every confidence that the United States Government will honour their international obligations. We will continue, through the European Commission, to remind the United States Government of our continuing concern about this matter, and to press for early action.

Dr. Mawhinney asked the Secretary of State for Trade and Industry if Her Majesty's Government will make it their policy to refuse to allow imports of publications printed in countries whose Governments take no action against publishers and printers who pirate British copyright publications.

Mr. Butcher: United Kingdom obligations under the GATT only permit restrictions on imports which themselves threaten United Kingdom commercial or public interests. Accordingly, United Kingdom copyright legislation enables the importation of infringing printed copies of literary, dramatic and musical works to be prevented. The Government none the less pursues all available opportunities to encourage suppression of piracy and adherence to the international copyright conventions. It participates fully in initiatives to this end within the European Community and the Council of Europe.

"Britain Means Business"

Dr. Mawhinney asked the Secretary of State for Trade and Industry how many activities have so far been held under the "Britain Means Business" campaign; where and when they were held; by whom they were sponsored; and if he will make a statement.

Mr. Trippier: The "British Means Business" campaign was launched on 1 April 1985 and a series of activities will take place to the end of 1985. These include overseas 'Briefing on Britain' seminars, visits to the United kingdom by United States and Japanese journalists and the publication of a quarterly magazine directed at prospective investors overseas.

There have been two 'Briefing on Britain' events held so far. Th first was held in Tokyo on 4 June and was co-sponsored by Midland Bank plc and Price Waterhouse & Co. The second event was held in Hartford, Connecticut on 26 June and was co-sponsored by the National Westminster Bank plc. Ministers were the principal speakers at both events. The Peterborough Development Corporation has held a successful seminar in Boston, on 19 June, using the "Britain Means Business" logo.

Three United States and four Japanese journalists have also visited the United Kingdom and two of the quarterly magazines have been published.

It is still relatively early days in the campaign's programme of events. I and the co-sponsors have been very pleased by the size and quality of the audiences attending the seminars held so far and by the interest which has been shown in investing in the United Kingdom. The "Britain Means Business" events play an important part in realising the campaign's objective of achieving maximum success and benefit for the United Kingdom by co-ordinating promotional efforts of the relevant public sector inward investment bodies and the private sector to project an effective, united image of Britain overseas.

Dr. Mawhinney asked the Secretary of State for Trade and Industry how much money he has made available to "Britain Means Business"; and for how long.

Mr. Trippier: My Department has allocated £1 million, additional to the Invest in Britain bureau's normal promotional budget for 1985-86, to the "Britain Means Business" campaign. Substantial contributions to the campaign, both 'in kind' and financial, are being made by the territorial and regional promotional organisations and the private sector.

The campaign began on 1 April 1985 and will run to the end of the calendar year.

Computer Software

Mr. Michael Marshall asked the Secretary of State for Trade and Industry what is his current assessment of the share which the domestic software industry has of the national market in the United Kingdom; and what equivalent information he has about the share of the national markets taken by the respective domestic markets in France, Italy and Germany.

Mr. Butcher: I shall reply to my hon. Friend as soon as possible.

Loan Guarantee Scheme

Mr. Michael Marshall asked the Secretary of State for Trade and Industry how many jobs have been created by the loan guarantee scheme; and what is the average cost of each job created.

Mr. Trippier: Information from sample surveys carried out by my Department suggests that loan guarantees authorised up to 31 May 1984 assisted the creation of about 44,500 jobs at a cost after taking account of estimated failure rates of approximately £2,200 per job. These figures do not allow for possible displacement of jobs elsewhere in the economy.

Mr. Michael Marshall asked the Secretary of State for Trade and Industry what is the average failure rate among firms which have received support from the loan guarantee scheme; and how these figures compare with the average failure rate of small businesses in general.

Mr. Trippier: About one in three of all firms are estimated to fail within their first three years of existence. The failure rate at the end of three years on guaranteed loans authorised between June 1981 and May 1982 was approximately 40 per cent. Subsequent loans have not yet run for three years. Available figures suggest a reduction in failure rates in the later period but this cannot yet be reliably quantified.

Anti-Dumping Levies

Mr. Michael Marshall asked the Secretary of State for Trade and Industry what consideration he has given to an application to apply general agreement on tariffs and trade anti-dumping levies to Japanese computer and component firms.

Mr. Fletcher: Responsibility for anti-dumping action under GATT on behalf of EC member states rests with the EC Commission. We have not been informed of any request for such action against imports of Japanese computers and computer components, but if the United Kingdom industry believes that it is being damaged by such dumped imports, we would press the Commission to give any request urgent and sympathetic consideration.

British Telecom

Mr. Gould asked the Secretary of State for Trade and Industry (1) pursuant to the answer of 27 June, *Official Report*, column *443*, how many shares Rudolf Wolff and Co. undertook to buy its role as underwriters to the flotation of British Telecommunications; and what happened to the shares it handled.

(2) pursuant to the answer of 27 June, *Official Report*, column *443*, when the applications by employees of an eligible fund based overseas for 31,900 British Telecommunications shares were discovered; what arrangements were made for the surrender of their profits to charity; which charities were involved and on what dates payments were made to them; if any investigations into possible fraud or deception were carried out; and if he will make a statement.

Mr. Butcher: I shall reply to the hon. Member as soon as possible.

PRIME MINISTER

Herbicide 2,4,5,-T

Mr. Nellist asked the Prime Minister if she will ensure that the Advisory Committee on Pesticides reconsiders the safety of 2,4,5,-T when the Health and Safety Executive has completed its report on the case of Ms. Anna Noon; and if she will make a statement.

The Prime Minister: the Advisory Committee on Pesticides carried out full-scale reviews of the safety of 2,4,5,-T herbicides in 1979, 1980 and 1982. On each occasion its advice was that formulations of 2,4,5,-T cleared under the pesticides safety precautions scheme were safe for use as recommended. The Government accepted that advice. The committee continues to examine all important evidence on the safety of 2,4,5,-T herbicides.

A report of the Health and Safety Executive's investigations of the case of Ms. Anna Noon will be made to the committee.

Palestine Liberation Organisation

Mr. Latham askd the Prime Minister whether the Government have received any request from King Hussein for United Kingdom Ministers to meet the deputation of Jordanians and Palestinians currently visiting Italy and France; and whether Her Majesty's Government will make clear that their policy regarding ministerial contact with representatives of the Palestine Liberation Organisation remains unchanged.

The Prime Minister: The Italian and French Governments received a joint Jordanian Palestinian delegation in late June at the request of King Hussein. We ourselves are in close touch with King Hussein and are examining how best we can support his courageous efforts to move towards peace negotiations. As is well known, contacts at ministerial level with the PLO remain difficult while PLO attitudes on Israel's right to exist and on the use of violence remain ambiguous.

Retirement Pensioners

Mr. Hickmet asked the Prime Minister what improvements the Government have made in the circumstances of retirement pensioners since 1979.

The Prime Minister: The Government's pledge to protect the value of retirement pensions has been fully honoured. When the new rates announced on 18 June by my right hon. Friend the Secretary of State for Social Services come into force in November 1985, the pension will have risen by 96·4 per cent. since November 1978, some ten percentage points more than the expected rise in prices over the same period.

The method of uprating pensions has been changed so that increases are now based on the actual rate of inflation rather than on uncertain forecasts of price changes.

The pensioners' earnings rule has been increased to £70 a week and will be further increased to £75 a week in November.

The capital limit for supplementary benefit was raised to £3,000 in November 1983, the capital limit for single payments was raised to £500 and the first £1,500 of the surrender valie of life assurance policies is now disregarded in relation to supplementary benefit entitlement: all of which help pensioners with savings.

Help with heating costs reached an estimated level of £400 million in 1984-85, about £140 million more in real terms than under the last Labour Government. Over 90 per cent. of supplementary pensioners now receive a heating addition.

The Christmas bonus has been made a permanent statutory entitlement.

In November 1984 the residence test for the non-contributory over-80's pension was relaxed so that the 10 years' residence test could be completed after age 80, enabling people who returned to this country from abroad after age 70 to qualify for the pension.

We have taken steps to ensure that from November 1985 married women over 80 who qualify for the non-contributory pension will receive it at the full rate instead of a reduced rate.

We have abolished the residual effects of the married women's half-test with effect from December 1984, enabling 25,000 married women who reached age 60 before April 1979 to receive a pension on their own contributions.

Finally, the Government's most important achievement for pensioners — and for all those living on fixed incomes—has been to bring down the rate of inflation and to keep it in single figures for four succesive years.

Disabled Persons

Mr. Michael Marshall asked the Prime Minister if Her Majesty's Government have any plans to seek to encourage *(a)* the making available of defence and nuclear robotic research to those wishing to produce sophisticated aids for the disabled and *(b)* the making available of research regarding aids for the disabled, using light-weight and low-cost materials, to those exploring defence and nuclear robotic possibilities.

The Prime Minister: My right hon. Friend the Secretary of State for Social Services is responsible for reporting each year to Parliament progress made on research and development work carried out on behalf of every Minister of the Crown which might be of assistance to the disabled. The inquiries made by his Department seek to identify all such useful work, including that arising from defence. These inquiries have not included the nuclear field. I am grateful for the suggestion of a further source of information.

The Department of Health and Social Security has sought to increase the effectiveness of this report by commissioning a study last year by the disabilities study unit in addition to its own inquiries. The report of the unit is being studied. First indications are that few developments have been revealed of which the DHSS was previously unaware. The project has clearly been useful in providing a further stimulus to research establishments to consider the need for the disabled.

Research regarding aids for the disabled is not subject to secrecy except where commercial confidentiality applies and information is therefore available through a wide range of publications concerning this area, as well as in the report made under section 22 of the Chronically Sick and Disabled Persons Act 1970.

WALES

Incontinence Laundries

Dr. Roger Thomas asked the Secretary of State for Wales what information he has as to which health authorities in Wales have arrangements for providing an incontinence laundry service for the use of patients in the community.

Mr. Wyn Roberts: The information is not held centrally.

Geriatric Medicine (Specialists)

Dr. Roger Thomas asked the Secretary of State for Wales if he will provide financial assistance to the East Dyfed health authority to appoint additional specialists in geriatric medicine commensurate with the large geographic area and dispersed communities as highlighted in the report of the joint hospital advisory services and social work service published on 7 June; and if he will make a statement.

Mr. Wyn Roberts: I refer the hon. Gentleman to the reply I gave him on 25 June at col. *359*. East Dyfed has approval from the All-Wales Manpower Committee for a consultant post in geriatrics. Central funds for the consultant expension programme in 1985-86 have already been allocated. It is open to the authority to make a bid against such monies as might be available for the programme in 1986-87.

Farm Grants (Brecon and Radnor)

Mr. Best asked the Secretary of State for Wales if he will estimate the number of farmers in the parliamentary constituency of Brecon and Radnor who have *(a)* applied for grant under the variable beef premium scheme and *(b)* have had their application granted in each year since 1979.

Mr. John Stradling Thomas: Payments to Welsh producers under the beef variable premium scheme are as follows:

Marketing year	Number of animals certified (Wales)	Total premium paid (£ million)
1980-81	110,659	4·2
1981-82	91,070	0·42
1982-83	98,756	1·61
1983-84	116,221	4·9
1984-85	121,124	4·67

Separate figures for the parliamentary constituency of Brecon and Radnor and for the number of individual producers involved are not available.

Mr. Best asked the Secretary of State for Wales if he will estimate the number of farmers in the parliamentary constituency of Brecon and Radnor who have *(a)* applied for grant or subsidy and *(b)* received grant or subsidy under the European Economic Community sheepmeat regime in each year since 1979.

Mr. John Stradling Thomas: Payments to Welsh producers under the EC sheepmeat regime are as follows:

1. Sheep variable premium scheme

Marketing year	Number of animals certified (Wales)	Total premium paid (£ million)
1980-81	2,298,190	7·5
1981-82	2,383,307	12·6
1982-83	2,489,969	25·4
1983-84	2,564,454	30·5
1984-85	2,676,859	21·4

2. Sheep annual premium scheme

Marketing year	Number of claims paid	Total paid (£ million)
1980-81	15,655	2·5
1981-82	15,665	5·2
1982-83	15,583	10·3
1983-84	15,586	26·3
1984-85*	11,954	6·1

* To 31 May 1985

Separate figures for the parliamentary constituency of Brecon and Radnor and for the number of individual producers are not available.

HOME DEPARTMENT

Community Radio

Mr. Cartwright asked the Secretary of State for the Home Department when he expects to make a statement about the development of community radio.

Mr. Rathbone asked the Secretary of State for the Home Department if he is yet ready to announce his plans for development of community radio; and if he will make a statement.

Mr. Giles Shaw: My right hon. and learned Friend hopes to make a further statement before the recess.

Penal Establishments (Medical Services)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what happens when a penal establishment exhausts its allocation for medical services.

Mr. Mellor: Establishments are expected to keep within their financial allocation subject to the requirement to maintain a proper standard of health care. There is no question of patients being denied essential treatment, and the re-allocation of provision within the voted resources of the prison service is considered if the need arises.

Escort Duties (Cost)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what is the average cost of escort duties involved in taking a prisoner from a local prison to a Crown court on one occasion.

Mr. Mellor: This information is not available.

Bail

Mr. Irving asked the Secretary of State for the Home Department if he will provide a breakdown of the main reasons given for refusal of bail.

Mr. Mellor: Such information is not collected routinely but details of the grounds for refusal of bail by magistrates' courts in the period May to October 1978 are contained in Criminal Statistics, England and Wales, 1979 (paragraph 8.8 and tables 8.9 and 8.10).

Mr. Irving asked the Secretary of State for the Home Department (1) what was the total number of bail beds available in England and Wales, the location of the bail hostels and percentage occupancy in 1984;

(2) what is the average cost of a bail bed; and what is the average cost of a prison remand place.

Mr. Mellor: I refer my hon. Friend to the reply given to his question on 27 June at column *453*.

Brecon and Radnor

Mr. Adley asked the Secretary of State for the Home Department how many additional electors in the Brecon and Radnor constituency, presently ineligible to vote through absence on holiday and other causes, he estimates will be enfranchised by recent legislation; and if he will make a statement.

Mr. Mellor: It is estimated that throughout Great Britain over two million people, or 5 per cent. of those registered as electors, would at present be disfranchised through absence on holiday at a parliamentary general election held during July. The proportion may vary from one constituency to another, but clearly a substantial number of electors who will be unable to vote in person at the Brecon and Radnor by-election would be able to vote by post or proxy under the provisions of the Representation of the People Bill.

Justices of the Peace Act 1361

Mr. Hoyle asked the Secretary of State for the Home Department how many persons in England and Wales have been arrested, how many charged and how many convicted under the Justices of the Peace Act 1361 in each of the last five years; and how many of these arrests and charges related to domestic disputes.

Mr. Mellor: Proceedings under the Justices of the Peace Act 1361 provide for persons who have been arrested for an alleged breach of the peace (which is not an offence in itself) to be brought before a magistrate's court with a view to being bound over to keep the peace. The information collected centrally relates to the number

of applications made and the outcome: details of the circumstances leading to the arrest are not collected centrally. The available information, which may be incomplete, is shown in the table. Corresponding information for 1984 is not yet available.

Proceedings under the Justices of the Peace Act 1361 to find surety to keep the peace or for good behaviour.

England and Wales *Number of Applications*

Year	*Applications*		
	Total	*Order made*	*No Order made*
1980	87,780	80,443	7,337
1981	92,594	84,832	7,762
1982	104,148	97,041	7,107
1983	102,996	96,113	6,883

Mr. Hoyle asked the Secretary of State for the Home Department if he has any plans to introduce legislation to amend the Justices of the Peace Act 1361; and if he will make a statement.

Mr. Mellor: We have no plans for such legislation at present. The Law Commission is considering the power to bind over to keep the peace, and hopes to publish a working paper with provisional proposals for reform in the course of next year.

Mr. Hoyle asked the Secretary of State for the Home Department what information he has as to the average length of time for which a person charged under the Justices of the Peace Act 1361 is held before being brought before a magistrate.

Mr. Giles Shaw: No information is held centrally about the length of time for which persons who are bound over to keep the peace have been detained before being brought before a magistrate.

Prisoners (Money)

Mr. Tony Lloyd asked the Secretary of State for the Home Department what moneys a prisoner on home leave is allowed to take with him; and what is the source of these moneys.

Mr. Mellor: The information requested is as follows:

A. *Payments from Public Funds*

1. *Travelling Costs:* the prisoner receives either a travel warrant or the cost of fares for the return journey.

2. *Subsistence:* a subsistence allowance for the duration of the outward and return journey is paid in accordance with the following rates:

2- 5 hours	£1·00
5-10 hours	£2·40
10-16 hours	£4·40
16-24 hours	£5·60

A packed meal may be provided for the outward journey. If so no allowance for the outward journey will be paid.

3. *Householder's Allowance:* in cases where leave has been approved and the prisoner is to spend leave in the home of a householder who is known to lack the resources to keep the prisoner for the period of leave and is not receiving supplementary benefit from the DHSS, an allowance of £5·00 for short home leave or pre-parole leave or £10·00 for terminal home leave may be paid to the prisoner when proceeding on leave.

4. *Lodgings Allowance:* where a prisoner has no suitable accommodation for his leave, arrangements may be made for the prisoner to stay at a suitable hostel or lodgings. If so, expenditure may be incurred to meet the cost of accommodation and meals. The maximum amounts which prison governors may authorise are £21·00 for short home leave or pre-parole leave and £41·00 for terminal home leave. Normally these payments would be made direct to the hostel or lodgings and the prisoner would not be given this money when he proceeds on leave.

B. *Prisoners' Monies*

1. The maximum amount in earnings and private cash which a prisoner may take on leave is £20·00* for terminal home leave or £10·00* for short home leave.

2. Additional sums of private cash may be sent home in advance of leave, subject to an annual limit of £95·00.

* (Includes a sum of £4·00 for terminal home leave and £2·00 for short home leave or pre-parole leave which the prisoner must have saved from earnings before being allowed to take leave. Where prisoners have already taken short home leave and are to take terminal home leave they must save £2·00 before leave may be taken.)

Mr. Tony Lloyd asked the Secretary of State for the Home Department what moneys a prisoner may bring back into prison after home leave; and what rules govern the bringing in of moneys at this time.

Mr. Mellor: There are no restrictions on the amount of money which a prisoner may bring back into prison after home leave. The money will be credited to his private cash account in the books of the prison in accordance with prison rule 41(3). Prisoners who have large sums of money in their cash account are encouraged to open accounts with the National Savings Bank or similar institutions.

Mr. Tony Lloyd asked the Secretary of State for the Home Department what wages a prisoner on home leave loses during this period or following his period of home leave.

Mr. Mellor: No wages are paid to adult prisoners during absence on home leave. On return from such leave it is normal practice for prisoners to re-join their work party and they therefore usually suffer no loss of earnings.

Racial Discrimination

Mr. Hancock asked the Secretary of State for the Home Department (1) how many employers were prosecuted for discrimination under the Race Relations Act *(a)* between 1976 and 1979 and *(b)* between 1979 and 1984;

(2) how many employers were prosecuted under the Sex Discrimination Act *(a)* between 1975 and 1979 and *(b)* between 1979 and 1985.

Mr. Mellor: I shall reply as soon as possible.

Drug Addicts

Mr. Amess asked the Secretary of State for the Home Department how many registered class A drug addicts there were in Basildon in the years 1980 to 1985.

Mr. Mellor: I refer my hon. Friend to the reply I gave to his question on 11 January at columns *559-60*. The only information which has since become available is the provisional figures for new addicts notified in the Essex police force area in 1984, given in the reply to a question from my hon. Friend the Member for Westminster, North (Mr. Wheeler) on 11 June 1985 at columns *394-95*.

Mr. Bermingham asked the Secretary of State for the Home Department what are the totals of the registered number of addicts in England and Wales addicted to *(a)* heroin and *(b)* cocaine, broken down by regional health authority areas for the years 1980, 1981, 1982, 1983 and 1984, respectively.

Mr. Mellor [*pursuant to his reply*, 24 June 1985, c. *287*]: The available information about the number of drug addicts notified as addicted to heroin or cocaine relates to

police forces areas and is given in the following tables for the years 1980 to 1983. Corresponding information for 1984 is not yet available. However, provisional figures for all new addicts notified in 1984 by police force area were given in the reply to a question from my hon. Friend the Member for Westminster, North (Mr. Wheeler) on 11 June 1985 at columns *394-95*.

TABLE 1

New drug addicts notified to the Home Office during the years 1980-83 as addicted to heroin or cocaine

England and Wales — Number of persons

	Heroin alone or with other drugs but not with cocaine				*Cocaine alone or with other drugs but not with heroin*				*Heroin and cocaine only or with other drugs*			
	1980	*1981*	*1982*	*1983*	*1980*	*1981*	*1982*	*1983*	*1980*	*1981*	*1982*	*1983*
Avon and Somerset	22	27	34	56	—	—	1	2	2	3	2	7
Bedford	3	8	13	9	—	1	2	2	2	4	6	3
Cambridgeshire	5	13	17	17	1	1	4	1	2	3	1	6
Cheshire	10	16	50	65	—	—	—	1	2	1	6	4
Cleveland	1	—	1	3	—	—	—	—	—	2	—	3
Cumbria	—	1	4	14	—	—	—	—	—	—	1	3
Derbyshire	2	1	2	8	—	1	—	—	—	—	3	—
Devon and Cornwall	6	11	15	15	—	1	—	—	—	1	1	5
Dorset	7	10	18	13	1	—	1	—	1	1	—	—
Durham	1	2	3	5	—	—	—	—	—	—	1	—
Essex	16	26	34	42	—	2	2	—	2	3	4	3
Gloucestershire	5	10	10	8	—	1	—	—	1	—	—	2
Greater Manchester	8	18	73	169	—	—	—	—	4	3	1	5
Hampshire	8	8	19	26	—	—	—	2	3	—	—	5
Hertfordshire	21	21	27	23	—	1	1	—	2	3	1	3
Humberside	2	2	2	3	1	—	3	1	—	2	4	3
Kent	17	24	31	27	1	—	1	1	2	4	2	2
Lancashire	14	31	55	93	—	—	1	—	3	2	1	6
Leicestershire	8	13	5	17	—	—	1	1	1	—	2	—
Lincolnshire	1	1	5	2	—	—	1	—	—	—	1	—
Merseyside	17	29	82	361	—	1	—	—	—	2	3	2
Metropolitan police district	563	830	848	1,424	10	11	19	29	58	71	76	156
Norfolk	9	8	11	33	—	—	—	1	7	—	1	5
Northamptonshire	7	7	8	8	—	—	2	1	2	3	1	1
Northumbria	3	3	5	8	—	—	—	—	—	1	3	1
North Yorkshire	1	1	3	25	—	—	—	—	—	1	—	5
Nottinghamshire	15	16	9	10	—	—	—	—	—	2	1	2
South Yorkshire	16	32	30	43	—	—	—	—	1	10	2	2
Staffordshire	1	8	13	20	—	1	—	1	1	—	—	1
Suffolk	2	2	4	15	—	—	—	—	—	—	—	3
Surrey	13	19	16	20	—	—	1	—	5	—	2	4
Sussex	36	32	51	79	1	5	1	3	8	6	9	11
Thames Valley	31	51	41	46	—	—	2	3	9	2	3	10
Warwickshire	2	1	7	13	—	—	1	—	1	—	2	1
West Mercia	2	5	10	17	—	—	1	—	1	—	—	—
West Midlands	30	37	75	51	—	—	—	—	1	3	2	2
West Yorkshire	8	8	17	21	—	2	—	1	2	1	3	2
Wiltshire	1	2	5	3	—	—	—	1	1	—	2	1
Total for England	914	1,334	1,653	2,812	15	27	45	51	124	134	147	269
Dyfed-Powys	7	3	6	7	—	—	—	—	1	1	3	1
Gwent	—	2	8	6	—	—	—	—	—	1	1	3
North Wales	—	2	6	16	—	—	—	—	—	—	—	—
South Wales	32	7	11	20	—	2	3	2	1	2	5	8
Total for Wales	39	14	31	49	—	2	3	2	2	4	9	12
Total for England and Wales	953	1,348	1,684	2,861	15	29	48	53	126	138	156	281

TABLE 2

Former drug addicts notified to the Home Office during the years 1980-83 as addicted to heroin or cocaine

England and Wales — *Number of persons*

	Heroin alone or with other drugs but not with cocaine				*Cocaine alone or with other drugs but not with heroin*				*Heroin and cocaine only or with other drugs*			
	1980	*1981*	*1982*	*1983*	*1980*	*1981*	*1982*	*1983*	*1980*	*1981*	*1982*	*1983*
Avon and Somerset	10	4	27	36	—	—	—	—	—	1	1	1
Bedford	4	7	13	8	—	—	—	—	2	1	2	4
Cambridgeshire	—	6	5	7	—	—	—	1	—	2	1	—
Cheshire	5	2	11	12	1	—	—	—	—	—	—	—
Cleveland	—	—	—	—	—	—	—	—	—	—	—	—
Cumbria	—	—	1	1	—	—	—	—	—	—	—	—

	Heroin alone or with other drugs but not with cocaine				Cocaine alone or with other drugs but not with heroin				Heroin and cocaine only or with other drugs			
	1980	1981	1982	1983	1980	1981	1982	1983	1980	1981	1982	1983
Derbyshire	2	1	1	1	—	—	—	—	—	1	1	—
Devon and Cornwall	2	4	6	4	—	—	1	—	1	—	1	—
Dorset	3	6	8	1	—	—	1	—	—	1	—	—
Durham	4	1	1	—	—	—	—	—	—	—	—	—
Essex	16	12	16	14	—	—	—	—	2	—	1	4
Gloucestershire	3	3	3	6	—	—	—	—	—	—	—	1
Greater Manchester	1	9	12	23	—	—	1	—	—	1	1	1
Hampshire	6	8	9	10	—	—	—	—	—	1	—	—
Hertfordshire	15	12	17	12	—	—	—	2	1	3	—	2
Humberside	—	1	—	4	—	—	—	—	—	—	—	2
Kent	3	2	7	7	—	1	—	—	1	1	1	2
Lancashire	8	9	14	23	—	—	—	—	—	2	1	1
Leicestershire	1	9	11	6	1	—	—	—	1	2	—	—
Lincolnshire	1	—	—	1	—	—	—	—	1	1	—	—
Merseyside	10	18	17	22	—	—	—	—	—	—	—	—
Metropolitan police district	286	347	427	599	3	2	3	1	18	27	38	79
Norfolk	2	4	8	12	—	1	—	—	—	2	—	—
Northamptonshire	3	5	7	5	—	—	—	1	1	—	1	3
Northumbria	2	1	2	—	—	—	—	—	—	1	—	2
North Yorkshire	1	2	1	1	—	—	—	—	—	—	1	—
Nottinghamshire	5	4	12	5	—	—	—	—	—	2	—	—
South Yorkshire	3	7	6	14	—	—	—	—	—	3	—	1
Staffordshire	—	—	1	1	—	—	—	—	—	—	—	—
Suffolk	—	1	2	2	—	—	1	—	—	1	—	—
Surrey	4	12	15	10	—	—	—	1	—	1	1	3
Sussex	16	27	24	47	—	—	—	2	5	3	3	5
Thames Valley	6	14	22	24	—	—	—	—	—	—	1	11
Warwickshire	1	1	2	3	—	—	—	—	—	—	—	—
West Mercia	—	—	4	2	—	—	—	—	—	—	—	—
West Midlands	1	12	17	19	—	—	—	—	—	1	1	—
West Yorkshire	3	2	3	4	—	1	—	—	—	1	4	1
Wiltshire	1	1	1	3	—	1	—	—	—	—	—	1
Total for England	428	554	733	949	5	6	7	8	33	59	60	124
Dyfed-Powys	5	2	2	3	—	—	—	—	1	—	—	—
Gwent	—	—	2	2	—	—	—	—	—	—	—	—
North Wales	—	1	1	1	—	—	—	—	—	—	—	1
South Wales	12	9	15	14	—	—	—	—	—	4	1	1
Total for Wales	17	12	20	20	—	—	—	—	1	4	1	2
Total for England and Wales	445	566	753	969	5	6	7	8	34	63	61	126

Drug Trafficking

Mr. Amess asked the Secretary of State for the Home Department how many persons in Great Britain have been charged with drug trafficking offences in 1984-85.

Mr. Mellor: The latest available information relates to 1983, when 3,919 persons were proceeded against for trafficking in controlled drugs (unlawful production of drugs other than cannabis, unlawful supply, possession with intent to supply unlawfully, and unlawful import or export).

Mr. Amess asked the Secretary of State for the Home Department what current proposals regarding a convention on extradition proceedings for drug trafficking are currently being discussed by the United Nations.

Mr. Mellor: The United Kingdom is firmly supporting efforts to draw up a new United Nations convention to deal with all aspects of drug trafficking. We shall be pressing for real progress in the new convention on those issues, like the freezing, seizing and confiscation of the assets of drug traffickers and the extradition of such offenders, where international co-operation is absolutely crucial if the drugs menace is to be defeated. The United Kingdom is submitting this week its response to the United Nations on matters to be included in the convention, and I shall arrange for copies of the response to be placed in the Library.

Mr. Amess asked the Secretary of State for the Home Department what information he has as to the number of persons *(a)* against whom extradition proceedings have been taken or are planned in relation to drugs-related offences and *(b)* who are sought by police forces to assist them with inquiries into drug related matters, who have sought asylum in foreign countries between 1980 and 1985.

Mr. Mellor: I shall reply to my hon. Friend as soon as possible.

Drugs (Seizures)

Mr. Amess asked the Secretary of State for the Home Department what amounts of class A drugs were seized by the police between 1980 and 1985 in each region.

Mr. Mellor: Information on the total amounts of class A drugs seized by the police in the United Kingdom for 1980 to 1983 was given in table 1.3 of "Statistics of the Misuse of Drugs, United Kingdom, Supplementary Tables

1983"; corresponding information for 1984 and 1985 is not yet available. Provision of a breakdown by region would involve disproportionate cost.

Children (Offences)

Mr. Amess asked the Secretary of State for the Home Department (1) how many children were charged with offences relating to sections 32, 33 and 34 of the Offences Against the Person Act 1861, for *(a)* Billericay petty sessional area *(b)* Essex and *(c)* England and Wales, for each of the past five years;

(2) how many children were charged with offences relating to sections 35 and 36 of the Malicious Damage Act 1861 for *(a)* Billericay petty sessional area *(b)* Essex and *(c)* England and Wales, for each of the past five years;

(3) how many children were convicted of offences relating to sections 32, 33 and 34 of the Malicious Damage Act 1861; and what was the average sentence for *(a)* Billericay petty sessional area *(b)* Essex and *(c)* England and Wales, for each of the past five years;

(4) how many children were convicted of offences relating to sections 35 and 36 of the Malicious Damage Act 1861; and what was the average sentence for *(a)* Billericay petty sessional area *(b)* Essex and *(c)* England and Wales, for each of the past five years;

(5) in what percentage of cases of children convicted under sections 35 and 36 of the Malicious Damage Act 1861 compensation orders were made against parents for *(a)* Billericay petty sessional area *(b)* Essex and *(c)* England and Wales, for each of the past five years;

(6) in what percentage of cases of children convicted under sections 32, 33 and 34 of the Offences Against the Person Act 1861 compensation orders were made against parents for *(a)* Billericay petty sessional area *(b)* Essex and *(c)* England and Wales, for each of the past five years;

(7) how many children were cautioned under sections 35 and 36 of the Malicious Damage Act 1861 by *(a)* Essex police and *(b)* the British Transport police for each of the past five years; and what percentage of these resided in south-east Essex;

(8) how many children were cautioned under sections 32, 33 and 34 of the Offences Against the Person Act 1861 by *(a)* Essex police and *(b)* British Transport police for each of the past five years; and what percentage of these resided in south-east Essex;

(9) how many children have been convicted of offences relating to section 56 of the British Transport Commission Act 1949, what was the average sentence for *(a)* the Billericay petty sessional area, *(b)* Essex, and *(c)* for England and Wales for each of the past five years;

(10) how many children were charged with offences relating to section 56 of the British Tranport Commission Act 1949 for *(a)* the Billericay petty sessional area, *(b)* Essex, and *(c)* for England and Wales for each of the past five years;

(11) on how many occasions compensation orders have been made on parents of children convicted of offences relating to section 56 of the British Transport Commission Act 1949 in *(a)* the Billericay petty sessional area, *(b)* Essex, and *(c)* in England and Wales for each of the past five years.

Mr. Mellor [*pursuant to his replies*, 18 June 1985, c. *88-89* and 20 June 1985, c. *185*]: The information available to me, which may be incomplete is given in the following table for 1980-83; corresponding information for 1984 is not yet available.

Question (3) has been taken to refer to the Offences Against the Persons Act 1861.

Information collected centrally does not include details of cautions by the British Transport police, nor on the place of residence of offenders. For offences under sections 32 to 34 of the Offences Against the Persons Act 1861, the information for England and Wales is published annually in "Criminal Statistics England and Wales, Supplementary Tables", under offence classification 6: in vol 1, tables S1.1(B) and S1.1(C)—magistrates' courts, in vol 2, tables S2.1(B) and S2.1(C)—the Crown Court and in vol 4, table S4.1(C)—cautions.

Persons aged under 17 cautioned or proceeded against in Billericay Petty Sessional Division, Essex police force area and England and Wales for certain offences by disposal

1980-83 *Number of persons and percentages*

Disposal	*Year*	*Billericay PSD*	*Essex police force*	*England and Wales*
	Offences under Sections 32 to 34 of the Offences Against the Persons Act 1861			
Cautioned	1980	n.a.	—	3
	1981	n.a.	—	3
	1982	n.a.	—	2
	1983	n.a.	—	6
Proceeded against at magistrates courts	1980	—	—	55
	1981	1	1	33
	1982	—	—	16
	1983	—	—	32
Found guilty at all courts	1980	—	—	†52
	1981	1	1	24
	1982	—	—	14
	1983	—	—	31
Fine (numbers)	1980	—	—	10
	1981	—	—	14
	1982	—	—	2
	1983	—	—	12
Fine (average amount)	1980	—	—	£14

Disposal	Year	Billericay PSD	Essex police force	England and Wales
	1981	—	—	£39
	1982	—	—	£63
	1983	—	—	£23
Other non-custodial sentence	1980	—	—	41
	1981	—	—	8
	1982	—	—	12
	1983	—	—	19
Custodial sentence	1980	—	—	—
	1981	1	1	2
	1982	—	—	—
	1983	—	—	—
Parents to pay compensation (numbers)	1980	—	—	—
	1981	—	—	—
	1982	—	—	—
	1983	—	—	—
Parents to pay compensation (percentages)	1980	—	—	—
	1981	—	—	—
	1982	—	—	—
	1983	—	—	—
Offences under Sections 35 to 36 of the Malicious Damage Act 1861				
Cautioned	1980	n.a.	—	1
	1981	n.a.	—	7
	1982	n.a.	—	3
	1983	n.a.	—	5
Proceeded against at magistrates courts	1980	—	—	27
	1981	—	—	20
	1982	—	—	24
	1983	—	—	18
Found guilty at all courts	1980	—	—	25
	1981	—	—	19
	1982	—	—	22
	1983	—	—	‡19
Fine (numbers)	1980	—	—	7
	1981	—	—	1
	1982	—	—	1
	1983	—	—	3
Fine (average amount)	1980	—	—	£24
	1981	—	—	£20
	1982	—	—	£75
	1983	—	—	£50
Other non-custodial sentence	1980	—	—	15
	1981	—	—	16
	1982	—	—	18
	1983	—	—	11
Custodial sentence	1980	—	—	3
	1981	—	—	2
	1982	—	—	3
	1983	—	—	5
Parents to pay compensation (numbers)	1980	—	—	—
	1981	—	—	—
	1982	—	—	—
	1983	—	—	—
Parents to pay compensation (percentages)	1980	—	—	—
	1981	—	—	—
	1982	—	—	—
	1983	—	—	—
*Offences under certain Acts relating to railways**				
Cautioned	1980	n.a.	—	24
	1981	n.a.	—	16
	1982	n.a.	1	35
	1983	n.a.	—	9
Proceeded against at magistrates courts	1980	—	9	390

Disposal	Year	Billericay PSD	Essex police force	England and Wales
	1981	4	18	249
	1982	—	6	249
	1983	—	6	260
Found guilty at all courts	1980	—	9	380
	1981	3	17	235
	1982	—	6	230
	1983	—	4	243
Fine (numbers)	1980	—	6	259
	1981	3	12	167
	1982	—	4	156
	1983	—	3	199
Fine (average amount)	1980	—	£13	£11
	1981	£20	£16	£11
	1982	—	£8	£12
	1983	—	£7	£12
Other non-custodial sentence	1980	—	3	121
	1981	—	5	68
	1982	—	2	74
	1983	—	1	44
Custodial sentence	1980	—	—	—
	1981	—	—	—
	1982	—	—	—
	1983	—	—	—
Parents to pay compensation (numbers)	1980	—	—	1
	1981	—	—	—
	1982	—	—	—
	1983	—	—	2
Parents to pay compensation (percentages)	1980	—	—	(less than half)
	1981	—	—	—
	1982	—	—	—
	1983	—	—	1

n.a. Not available.
* Including section 56 of the British Transport Commission Act 1949 and private railway acts.
† Includes one person committed for sentence by a magistrates' court but not yet sentenced by the Crown Court.
‡ Persons can be found guilty at the Crown Court for a difference offence from which they are committed for trial. Hence, sometimes the total found guilty at all courts exceeds the total proceeded against at magistrates' courts.

EDUCATION AND SCIENCE

Teaching—Non-teaching Staff Ratios

Mr. Sayeed asked the Secretary of State for Education and Science if he will publish a table showing the ratio of teaching to non-teaching staff under the control of the director of education in each local education authority.

Mr. Dunn: The information is not readily available.

Area Advisory Committees

Mr. Sheerman asked the Secretary of State for Education and Science what information he has as to how many local education authorities have or have had area advisory committees, and as to their composition, powers, and functions.

Mr. Dunn: Local education authorities may set up area advisory committees at their discretion and they do not require the approval of my right hon. Friend. The Department does not therefore hold any information on them.

Local Education Committees

Mr. Sheerman asked the Secretary of State for Education and Science what information he has as to the number of local education authorities in which schemes have been approved under circular 8/73; what information he has as to which authorities have amended their schemes subsequently; on what dates; and of what these amendments consisted.

Mr. Dunn: All local education authorities in England have arrangements for their education committee which have been approved by my right hon. Friend or his predecessors, as they have been required by law to do since 1944.

It is not possible to provide the further detail requested except at disproportionate cost.

Mr. Sheerman asked the Secretary of State for Education and Science how many proposed schemes regarding the composition of local education committees under circular 8/73 he has rejected or amended; on what date; and for what reasons.

Mr. Dunn: My right hon. Friend has no power to amend proposals as to the composition of education

committees. Since September 1981 he has approved all such proposals which have been put formally to him, with the exception of three which have been recently received and on which no decision has yet been reached.

Polytechnics

Mr. Hancock asked the Secretary of State for Education and Science if he will list the education equipment bids to his Department from all the English polytechnics via their respective education authorities in 1983, 1984 and 1985.

Mr. Brooke: This information is not available. Local education authorities' bids for equipment do not distinguish between polytechnics and their other further education institutions.

It is for the authority to determine the apportionment of its allocation of prescribed capital expenditure, made under section 72 of the Local Government Planning and Land Act 1980, between institutions maintained by them. It has been the Department's practice in recent years to meet in full LEAs' bids for farther and higher education equipment required for teaching and research.

Some information on allocations to authorities for equipment for advanced further education as a whole is available, however, and I would refer the hon. Member to the answer I gave to the hon. Member for Battersea (Mr. Dubs) on 24 January at column *476*.

Collective Worship

Mr. Onslow asked the Secretary of State for Education and Science what steps he has taken to ensure that there are satisfactory arrangements for collective worship at the Winston Churchill school, Woking.

Mr. Dunn: The Department has raised this matter with Surrey county council, and I understand that the school's governing body has recently discussed the arrangements made for collective worship. I will write to my hon. Friend shortly.

Mr. Greenway asked the Secretary of State for Education and Science what representations he has received calling for changes in the law regarding religious instruction in schools and the requirement for a daily assembly and act of worship; and if he will make a statement.

Mr. Dunn: We have received a small number of letters from members of the public; and earlier this year I met representatives of the National Association of Head Teachers to discuss their views on this matter. As my right hon. Friend has made clear in response to the Swann report and on other occasions, the Government have no plans to propose changes in the existing statutory provisions on religious instruction and collective worship in schools, and we look to local education authorities and individual schools to ensure that the statutory requirements are met.

Science

Mr. Michael Marshall asked the Secretary of State for Education and Science what opportunities are provided to improve the understanding of senior officials in his Department advising him on priorities in the allocation of the science budget of the practical working of the private sector of industry.

Mr. Brooke: My right hon. Friend is advised by the Advisory Board for the Research Councils on priorities in the allocation of the science budget. Members of the ABRC include a number of senior industrialists who are able to give first hand advice on the practical working of the private sector of industry.

ATTORNEY-GENERAL

Law Society (Coopers and Lybrand Report)

41. **Mr. Dubs** asked the Attorney-General if he will make a statement on the Lord Chancellor's consideration of the Coopers and Lybrand report on the Law Society's role and functions.

The Attorney-General: I understand that The Law Society intends to publish the report soon as the basis of its consultation on the handling of complaints against solicitors. The Lord Chancellor will await the outcome of that consultation.

Judges (Retirement)

Mr. Hoyle asked the Attorney-General how many judges have continued to serve beyond retirement age in order to sit in Diplock trial cases in the last 10 years; and what was the age at which each eventually retired.

The Attorney-General: None.

Mr. Hoyle asked the Attorney-General what is the age and name of the oldest judge currently sitting in Diplock courts; and what was the age and name of the oldest judge ever to hear such cases since these courts were established.

The Attorney-General: The answer to both parts of the hon. Member's question is Lord Justice Gibson. He is now aged 72, having been born on 1 May 1913.

Johnson Matthey

Mr. Skinner asked the Attorney-General whether he will make a statement on the inquiry by the fraud investigation group into the affairs of Johnson Matthey Bankers.

The Attorney-General: There is no inquiry of this nature in progress.

SCOTLAND

Multi-occupation

Mr. Craigen asked the Secretary of State for Scotland what consideration his Department has given to the problems of multi-occupancy; and what discussions his Department has had with Glasgow district council over legislative measures to control the sub-division of flats.

Mr. Ancram: Matters concerning houses in multiple occupation receive on-going consideration by the Scottish Development Department. My officials are currently considering proposals for a registration scheme for houses in multiple occupation, submitted informally by Glasgow district council. In its final form, the registration scheme will require the approval of my right hon. Friend the Secretary of State under section 100 of the Housing (Scotland) Act 1966.

Pratt and Whitney (European Service Centre)

Mr. Foulkes asked the Secretary of State for Scotland (1) if he will place copies of all correspondence between his Department and Pratt and Whitney regarding the establishment of a European service centre at Prestwick in the Library;

(2) on what occasions and in what manner he or any Minister or official in his Department has communicated with Pratt and Whitney regarding the establishment of their European service centre at Prestwick;

(3) what communications he had with Pratt and Whitney before answering the parliamentary question of the hon. Member for Carrick, Cumnock and Doon Valley on 18 June, *Official Report*, column *124*.

Mr. Allan Stewart: No. Details of communications between Ministers or departmental officials and commercial companies cannot be disclosed, as to do so would break commercial confidentiality.

ENVIRONMENT

Farm Buildings

Mr. Kilroy-Silk asked the Secretary of State for the Environment if he will introduce legislation to provide that farmers require planning permission for the erection of all farm buildings.

Mr. Macfarlane: The erection of new agricultural buildings already requires planning permission, although general permission for many such buildings is given by class VI of the general development order. My Department has published proposals to amend the GDO so as to require specific planning permission for the development of livestock buildings near residential property; and proposals to qualify the exercise of GDO rights in respect of farm and forestry buildings and roads in the national parks.

Berne Convention (Biennial Report)

Mr. Hardy asked the Secretary of State for the Environment when he expects to send the biennial report required under article 9 of the Berne convention to the convention's secretariat; and if, at that time, copies of the report will be made available to voluntary conservation organisations.

Mr. Waldegrave: The United Kingdom report under article 9 of the Berne convention should be sent to the convention's secretariat by the end of July. In accordance with the terms of the convention, the report will be made to the standing committee and it is for that committee to decide upon any wider distribution.

Derelict Land

Mr. Allen McKay asked the Secretary of State for the Environment what is his policy towards the future development of disused industrial land which is not currently eligible for derelict land grant; and if he will make a statement.

Mr. Macfarlane: The Government are concerned that disused industrial land should be brought back into productive use as soon as possible. In many areas where land is not eligible for derelict land grant there are other grants, particularly urban development grant and the urban programme.

Mr. Allen McKay asked the Secretary of State for the Environment if he will conduct a review of the various forms of grant available for environmental improvement work in areas of industrial and other man-made dereliction in order to establish the extent to which the current system offers scope for simplifications; and if he will make a statement.

Mr. Macfarlane: We have recently reviewed derelict land reclamation policy, including the proposed after-use of reclaimed sites. We propose to issue for consultation shortly a draft circular to local authorities which will set out priorities for the programme and outline the changes to the system which we propose to introduce for the next financial year.

Information Technology Centre 6502 (Funding)

Mr. Tony Lloyd asked the Secretary of State for the Environment if he will explain his reasons for his decision to withdraw urban aid programme funding for the Information Technology Centre 6502 in Moss Side, Manchester; and if he will make a statement.

Mr. Kenneth Baker: Urban programme funding for the Moss Side information technology centre has not been withdrawn. Urban programme grant was given on the capital costs (£83,000) of the centre on its establishment in 1982 and aid at £32,000 per annum towards its running costs in the first three years. That support has been extended at a level of £16,000 per annum for a further three years.

Specialist Land Reclamation Teams

Mr. Allen McKay asked the Secretary of State for the Environment what is his policy towards the future status and functions of the specialist land reclamation teams currently employed by metropolitan county councils; and if he will make a statement.

Mr. Macfarlane: Decisions on the future of the specialist reclamation teams employed by the metropolitan county councils must properly be taken by the successor authorities. At the same time my Department is prepared to use its good offices in advising how the teams might be maintained if there is a demand for this from the successor authorities.

The Local Government Bill has now been amended to require residuary bodies to ask each successor authority before abolition about the desirability of their taking over certain staff on the abolition date, in order to provide services temporarily to the successor bodies while long-term arrangements are being finalised.

Chinese Archway, Manchester

Mr. Eastham asked the Secretary of State for the Environment what response he is prepared to make to the Manchester city council request for a special contribution towards the construction of a Chinese archway in the city centre area known as Chinatown.

Mr. Kenneth Baker: Manchester city council has proposed joint funding under the urban programme but

Greater Manchester council has yet to decide on the source of its share of the funding. Additionally, Manchester city council has not submitted its inner area programme for 1985-86. A response on this individual proposal is therefore not appropriate at this time.

Small Businesses

Mr. Michael Marshall asked the Secretary of State for the Environment what steps he is taking to encourage local authorities to allow non-polluting, new small businesses to be set up and to grow with the minimum of bureaucratic controls.

Mr. Kenneth Baker: I take it that my hon. friend has planning controls chiefly in mind. Our aim since coming into office has been to reduce unnecessary planning controls generally and to make the system as simple and efficient as possible. A wide range of further measures of relevance to small businesses is being considered following consultation on such matters as the proposal for simplified planning zones and amendments to the general development order. The circular and booklet on guidance for small firms which my hon. Friend, the Parliamentary Under-Secretary of State announced to the House on 22 April at column *720* will be published in draft shortly.

Liverpool

Mr. Neil Thorne asked the Secretary of State for the Environment whether, following the decision by Liverpool city council to set a rate for 1985-86, he intends to make payments to it for rate-related grants; and if he will make a statement.

Mr. Patrick Jenkin: I refer the hon. Member to the answer given to my hon. Friend the Member for Skipton and Ripon (Mr. Watson) on Friday 28 June 1985 at columns *515-16*.

Job Creation

Mr. Forman asked the Secretary of State for the Environment how much Government money has been committed to projects that have created jobs in the Greater London area since 1979.

Sir George Young: This answer can be only provided at a disproportionate cost.

OVERSEAS DEVELOPMENT

Africa (Famine)

48. **Mr. Bowen Wells** asked the Secretary of State for Foreign and Commonwealth Affairs whether he will make a statement on the famine in Africa and how it is being alleviated by British, European and international agencies supported by the United Kingdom.

Mr. Raison: The famine in Africa continues to be very serious, especially in Ethiopia and the Sudan. Substantial progress in the provision of food has been made, but port-discharge, transport and distribution problems persist in several countries. The United Nations office for emergency operations in Africa is making a concerted effort to overcome those problems. We continue to make a significant contribution from the £60 million of emergency assistance I announced in Geneva in March.

Africa (Food Supplies)

Mr. Richard Page asked the Secretary of State for Foreign and Commonwealth Affairs what study his Department has made of the possible use of the developing generation of British airships for the delivery of emergency food supplies to the destitute areas of Africa; and if he will make a statement.

Mr. Raison: We are following progress in this field, but at present relative payloads, cost and operating difficulties would appear to make airships less attractive than aircraft for emergency relief operations.

THE ARTS

Kessler Collection

Mr. Latham asked the Parliamentary Under-Secretary of State answering in respect of the Arts whether the Minister for the Arts will take immediate action to rectify the insurance indemnity problem which has arisen, under section 16 of the National Heritage Act 1980, preventing the Kessler art collection being loaned by the Tate Gallery for exhibition in Leicestershire as from 27 July.

Mr. Waldegrave: There is no reason why, under present loan arrangements through the Government indemnity scheme, the Tate Gallery should not lend pictures for exhibition.

AGRICULTURE, FISHERIES AND FOOD

Labour Statistics

Mr. Maclean asked the Minister of Agriculture, Fisheries and Food what information he has as to the proportion of people directly and indirectly involved in agriculture in Britain and other EEC countries.

Mrs. Fenner: Information in respect of people indirectly engaged in agriculture is not available. The latest available information on the proportion of people directly engaged in agriculture is as follows:

	Per cent.
United Kingdom	*2·6
Germany	†5·4
France	†7·9
Italy	†12·0
Netherlands	†4·9
Belgium	†2·9
Luxembourg	†4·7
Republic of Ireland	†16·8
Denmark	†8·5
Greece	‡30·0

Notes:

* Percentage of total civilian manpower directly engaged in agriculture alone, 1984 (provisional).

† Percentage of total manpower directly engaged in agriculture (including forestry and fishing), 1983.

‡ Percentage of total civilian manpower directly engaged in agriculture (including forestry and fishing), 1983.

Sources:

* Annual Review of Agriculture 1985 (Cmnd. 9423) † and ‡ The Agricultural Situation in the Community—1984 Report (Commission of the European Communities).

Atlantic Salmon

Mr. Onslow asked the Minister of Agriculture, Fisheries and Food what further information he has now obtained about the action of the Canadian authorities in banning commercial fishing for Atlantic salmon in Canadian waters.

Mr. MacGregor: Since my reply of 7 June at column 293, I have learned that, for the 1985 season, the actions the Canadian authorities have taken include a local ban on commercial fishing in the Maritime Provinces only. This ban does not extend to the commercial fishing of Newfoundland, Labrador or Quebec.

I understand that no decision has been taken as to what happens next year, and that consultations will be held with the Canadian industry to develop a longer-term plan for the entire Canadian Atlantic fishery.

Wheat Seed

Mr. Speller asked the Minister of Agriculture, Fisheries and Food what representations he has received from producers of wheat seed in Britain about the effects on the industry of the growth of equivalent subsidised imports; what import quotas are currently in force; and if he will make a statement.

Mrs. Fenner: I have received no such representations. There are no quotas for imports of wheat seed into the United Kingdom. The level of imports from third countries is negligible compared with total production of wheat seed in this country.

Pigs

Mr. McQuarrie asked the Minister of Agriculture, Fisheries and Food if he will have discussions with the pig industry to seek to produce a social cost-benefit analysis for the pig industry to assist future planning of the industry.

Mr. MacGregor: I doubt whether it would be possible to produce a meaningful social cost-benefit analysis for the pig industry. But we are in constant touch with associations representing pig farmers and processors about future developments in the pig industry in general and about such matters as production, structure, income and costs, animal health and welfare, the environment, pollution, processing, hygiene and trade in particular.

Farm Animal Disease

Mr. McQuarrie asked the Minister of Agriculture, Fisheries and Food if he will bring forward proposals for a co-operative approach between Government and the industry to the funding of farm animal disease control; and if he will make a statement.

Mrs. Fenner: The Government are always willing to discuss with the industry measures for dealing with diseases of farm livestock. A co-operative approach already exists under which there are many and regular meetings with the industry to discuss and determine ways and means of dealing with the various disease problems which arise.

Aujeszky's Disease

Mr. McQuarrie asked the Minister of Agriculture, Fisheries and Food if it remains his policy to seek to control for the time being and eventually eradicate Aujeszky's disease.

Mrs. Fenner: The policy for dealing with Aujeszky's disease remains the same. The objective of the programme was initially to control and then to seek to eradicate the disease. Control was quickly achieved and considerable progress has been made towards the ultimate goal of eradication.

Mr. McQuarrie asked the Minister of Agriculture, Fisheries and Food what consideration he has given to employing procedures other than the entire slaughter of all herds containing one or more Aujeszky's sero-positive pigs; and what consultation he has had with the pig industry on the subject.

Mrs. Fenner: Careful consideration has been given to the principle of selective slaughter instead of whole herd slaughter where circumstances reveal only one or a few infected animals. Consultations were held and agreement reached with the Pig Disease Eradication Fund Ltd. to the adoption of this approach if the state veterinary service considered it appropriate in particular circumstances.

Wheat

Mr. Hoyle asked the Minister of Agriculture, Fisheries and Food what quantity of category 3 wheat from the EEC is stored in the United Kingdom; what intervention price per tonne is paid for this wheat; where it is stored; and what it is used for.

Mr. MacGregor: Offerers are not required to state the category (or class) of wheat delivered into intervention, but it is probable that almost all of the 3·3 million tonnes of common wheat stored in the United Kingdom falls into class III: varieties not usually accepted for inclusion in breadmaking grists by United Kingdom millers. The common wheat intervention price rose from £113·05 per tonne to £127·36 per tonne over the first ten months of the current marketing year, and offerers receive the price for the month scheduled for delivery of their wheat into store. The wheat is held in 145 intervention stores in England and Scotland, and its main use would be for animal feed.

EMPLOYMENT

Youth Training

Mr. Sheerman asked the Secretary of State for Employment if he will give the proportions of youth training scheme leavers going to the following destinations for each available month of the 15 per cent. leavers sample and for each of the previous samples *(a)* full-time work with the same employer, *(b)* full-time work with a different employer, *(c)* part-time work, *(d)* full-time college or training course, *(e)* back at school, *(f)* on another youth training scheme, *(g)* claimant unemployed and *(h)* other; and if he will show for each survey *(i)* the proportion of respondents who had left the scheme early and (ii) the usable percentage response rate.

Mr. Peter Morrison: The Manpower Services Commission introduced a regular monthly survey of

leavers from the youth training scheme in 1984. Questionnaires are sent to a 15 per cent. sample of all leavers in each month some three months after they leave the scheme. Leavers in June 1984 were the first group to be covered by this survey. An earlier programme of ad hoc surveys provided comparable information about young people who left the scheme before June 1984. The results of all completed surveys are given in the table.

Response to the Question "What are you doing now?"

	Ad Hoc Surveys Leavers between			*15 per cent Follow-Up Programme leavers in:*				
	April 1983 and November 1983	*April 1983 and March 1984*	*April 1984 and July 1984*	*June 1984*	*July 1984*	*August 1984*	*September 1984*	*October 1984*
In full-time work with same employer	4	12	22	21	30	32	28	19
In full-time work with different employer	34	37	34	35	31	29	27	29
In part-time work	*	*	2	1	1	1	1	1
On full-time course at college training centre	4	1	2	2	3	4	6	1
Back at school	2	—	—	—	—	—	1	1
On another YTS Scheme	29	13	4	4	5	5	6	9
Doing something else	3	3	2	3	2	2	2	2
Unemployed	24	34	34	35	28	27	29	38
Sample Details:								
Percentage who were early leavers	100	90	64	56	44	33	37	56
Percentage response	53	55	70	67	67	65	68	63

* Information not available.

Labour Statistics

Mr. Watts asked the Secretary of State for Employment how many unemployed people in Slough and in Berkshire had registered details of their skills and experience at jobcentres at the most recent date for which the information is available; and what proportion those numbers represented of the total registered as unemployed.

Mr. Alan Clark: On 3 May 1985, 418 job seekers were registered in Slough and 2,329 job seekers registered in Berkshire. These figures include a small number of employed people seeking a change of employment. Unemployed people are no longer required to register at the jobcentre as a condition of claiming benefit. However, it is not necessary to register for employment in order to use the jobcentre. It should not be assumed that these figures represent all the job seekers in the area who are actively looking for work. Large numbers of job seekers regularly use the self-service display areas from where 65 per cent. of the vacancies notified to jobcentres are filled.

Mr. Baldry asked the Secretary of State for Employment what is his estimate of the number of job vacancies filled each month.

Mr. Alan Clark: It is estimated that, during 1984-85, on average about 600,000 job vacancies were filled each month.

Mr. Baldry asked the Secretary of State for Employment what information is collected by his Department on the state of the labour market in travel-to-work areas, other than the number of people registered as unemployed and job vacancies notified directly to jobcentres.

Mr. Alan Clark: The labour market data collected by the Department for travel-to-work areas are as follows:

(i) Monthly counts of the claimant unemployed resident in each area analysed by sex, with quarterly analyses by age and duration of unemployment;

(ii) Triennial estimates of employees in employment in each area, analysed by sex and industry and full-time/part-time status.

Statistics of job vacancies and of confirmed redundancies are collected for jobcentre areas, from which approximations can be made for travel-to-work areas.

Information on certain aspects of labour markets in travel-to-work areas, such as the occupations of those in employment, is also available to the Department from the decennial census of population, which is conducted by the office of population censuses and surveys.

Job Creation

Mr. Pike asked the Secretary of State for Employment if he has any figures for jobs created as a result of grants from the European Economic Community.

Mr. Peter Bottomley: The European Commission has estimated that, from the inception of the European regional development fund in 1975 to the end of 1983, grants were awarded to industrial projects in the United Kingdom which directly created 109,790 new jobs and preserved 52,590 existing jobs. In addition, about 70 per cent. of the allocations to the United Kingdom in that period were made to capital investments in infrastructure, and this resulted indirectly in the creation of many more jobs. Information on the European Social Fund is not available in the same form but, of the figure of about 1,200,000 people taking part in training and employment schemes supported by the fund in the United Kingdom in 1984, about 300,000 were on job creation schemes.

Wages Councils

Mr. Winnick asked the Secretary of State for Employment when he expects to be in a position to make a statement on the future of wages councils.

Mr. Peter Bottomley: No decision on the future of wages councils will be made before we have completed our study of the many and varied responses to our consultative paper.

Prices

Mr. Dobson asked the Secretary of State for Employment what has been the increase in the retail prices index *(a)* over the period 1979-80 to 1984-85 and *(b)* over the period 1980-81 to 1984-85; and if he will make a statement.

Mr. Alan Clark: The retail prices index increased by 52·7 per cent. between financial years 1979-80 and 1984-85 and by 31·3 per cent. between financial years 1980-81 and 1984-85. Retail prices rose by 21·8 per cent. during the first financial year mentioned and by 6·9 per cent. in the last, indicating the success of present Government policy.

Air Pollution

Mr. Hancock asked the Secretary of State for Employment if he will list the number of enforcements by Her Majesty's air pollution inspectorate of air pollution legislation in the years since 1979.

Mr. Peter Bottomley: The number of enforcements by Her Majesty's industrial air pollution inspectorate of air pollution legislation for the years since 1979 are as follows:

Year	*Prosecutions*	*Improvement notices*
1979	7	—
1980	10	*17
1981	17	4
1982	20	4
1983	17	2
1984	1	1
Total	72	28

* Fourteen of these were for one registered works.

Enterprise Allowance Scheme

Mr. Hancock asked the Secretary of State for Employment how long applicants for the enterprise allowance scheme in Portsmouth and Hampshire currently have to wait on average before being granted an appointment at the initial information seminar.

Mr. Alan Clark: Potential applicants for the enterprise allowance scheme in the Hampshire and Isle of Wight area wait on average one to two weeks to attend an information session. No separate information is available for the Portsmouth area.

Asbestos

Mr. Hancock asked the Secretary of State for Employment how many licences under the Asbestos (Licensing) Regulations 1983 have been issued.

Mr. Peter Bottomley: The number issued is 1,833.

Mr. Hancock asked the Secretary of State for Employment to what he attributes the large disparity in the number of enforcements of asbestos licensing regulations issued in the different Health and Safety Executive areas.

Mr. Peter Bottomley: The number and nature of asbestos contracts for which a licence is required varies between Health and Safety Executive areas, and a similar level of enforcement activity in each area is not expected. Some contracts are of short duration and modest risk. Other more complex work, possibly associated with demolition, may call for increased attention. As a result of the asbestos (licensing) regulations and requirements to notify work with asbestos which have been a condition of most licences, enforcing authorities are now able to take into account knowledge of contractors' ability to strip asbestos competently, thus enabling inspectors to decide how much time they need to devote to particular sites.

Football Ground Safety

Mr. Pike asked the Secretary of State for Employment if he will extend the scope of community programme work to assist with necessary safety work at football league grounds.

Mr. Peter Morrison: The relevance of community programme support for work on football league grounds will be considered, taking account of discussions which my hon. Friend the Minister with responsibility for sport is having with the football organisations and Government Departments about the financing of ground improvements.

Technology (Training)

Mr. Michael Marshall asked the Secretary of State for Employment (1) what steps he is taking to improve the availability of high technology and information technology training for mature staff in both public and private sectors;

(2) what steps he is taking to encourage employers to retrain existing staff in information technology and high technology skills.

Mr. Peter Morrison: Primary responsibility for retraining existing employees will continue to remain with employers in both the public and the private sector. However, the Government's pump priming support for adult training gives priority to new technology skills and to new open learning techniques. These include the open tech programme, priority skills training and local training grants to employers. We are also improving access by employed people to new technology training through skillcentre new technology access centres, information technology centres and the access to information technology scheme.

Community Programme

Mr. Baldry asked the Secretary of State for Employment what is his estimate of the number of people who so far have been on the community programme who were under the age of 25 years.

Mr. Peter Morrison: Information on the number of entrants to the community programme and the percentage of those entrants under the age of 25 is set out in the table:

	Total entrants	Percentage under 25
October 1982-May 1983	28,539	54
June 1983-May 1984	142,906	55
June 1984-May 1985	166,168	63

ENERGY

Energy Conservation

Mr. Marshall asked the Secretary of State for Energy what steps he is taking to encourage greater energy conservation and the use of energy conservation devices in the public sector, particularly in regard to heat loss in tower blocks and from both military and civil government establishments, and to promote low-cost, alternative energy generators at remote locations.

Mr. David Hunt: The Government's energy efficiency campaign which aims to promote energy efficiency over all sectors of the economy has generated an upsurge in interest and activity. In particular, I am encouraging the appointment of energy managers in both public and private sectors whose task it is to act as a focus for the improvement of energy efficiency in their own establishments.

Oil Exploration (Warwickshire)

Mr. Pawsey asked the Secretary of State for Energy what plans he has to extend the area of Warwickshire licensed for *(a)* oil exploration and *(b)* oil production; and if he will make a statement.

Mr. Buchanan-Smith: The Petroleum (Production) (Landward Areas) Regulations 1984 set out the arrangements for applications for new licences. On 25 June 1985, at column 360, I announced that the Secretary of State for Energy will on 2 July formally invite applications for exploration licences for unlicensed areas. Unlicensed areas of Warwickshire could therefore be applied for in this round. I have sent my hon. Friend a map indicating existing licensed areas in Warwickshire.

Mr. Pawsey asked the Secretary of State for Energy (1) what inquiries he has had since he last granted oil exploration licences for Warwickshire about *(a)* further exploration and *(b)* production; and if he will make a statement;

(2) what parts of Warwickshire have to date been prospected for *(a)* oil and *(b)* other hydrocarbons with negative results; and if he will make a statement.

Mr. Buchanan-Smith: Exploration for oil and other hydrocarbons has taken place in southern parts of Warwickshire. Specifically a network of seismic lines was shot in July 1984 in exploration licences XLs 176 and 197 along and south of a line between Dorsington and Banbury. The survey included areas outside Warwickshire, but in that county the survey was of the area around Shipston-on-Stour.

A further survey in XL 176 is planned for July 1985, parts of which will be in Warwickshire around Dorsington, Shipston-on-Stour and Great Wolford.

In May 1984, one short line in production licence PL 168 was shot near Banton on the Heath.

I refer my hon. Friend to my answer given today in relation to the evaluation of seismic data. No other interest in areas in Warwickshire has been expressed to my Department.

Mr. Pawsey asked the Secretary of State for Energy (1) what progress has been made under the production licences to secure oil production in Warwickshire; and if he will make a statement;

(2) if, further to the reply to the hon. Member for Rugby and Kenilworth of 27 June, *Official Report*, columns *473-74*, concerning oil exploration in Warwickshire, he will make a statement on the outcome to date of the seismic surveys conducted.

Mr. Buchanan-Smith: Seismic surveys have been carried out in the licensed areas of Warwickshire. Such surveys should provide evidence as to whether or not suitable structures, which could contain oil, exist. The detailed analysis of the data they provide is a lengthy procedure and has not yet been completed by the licensees. Results of all seismic surveys are, however, confidential to the licensees concerned and are not made available publicly.

Mr. Pawsey asked the Secretary of State for Energy (1) what licences are currently in force for *(a)* exploration and *(b)* production of hydrocarbons other than oil in Warwickshire; if he will specify in each case the date of issue, to whom the licence has been issued, the period of the licence, the precise area covered and progress to date; and if he will make a statement;

(2) further to the reply to the hon. Member for Rugby and Kenilworth of 27 June, *Official Report*, columns *473-74*, concerning oil exploration in Warwickshire, if he will specify the precise areas within which *(a)* each of the production licences and *(b)* each of the exploration licences are operative.

Mr. Buchanan-Smith: Parts of two production licences (PLs) are in areas of Warwickshire. The licence boundaries are given in the following grid references.

PL 168	SP 10002900,	SP 15002900,	SP 15002600,
	SP 22502600,	SP 22503400,	SP 30003400,
	SP 30003000,	SP 35503000,	SP 35502000,
	SP 10002000,	SP 10002900.	
PL 169a	SP 30004000,	SP 44044000,	SP 44003200,
	SP 35503200,	SP 35503000,	SP 30003000,
	SP 30004000.		

Parts of two exploration licences (XLs) are in areas of Warwickshire. The licence boundaries are as follows:

XL	SP 11005000,	SP 40005000,	SP 40004000,
	SP 30004000,	SP 30003400,	SP 22503400,
	SP 22502600,	SP 15002600,	SP 15002900,
	SP 11021900,	SP 11005000.	
XL 197	SP 40005000,	SP 57005000,	SP 57003000,
	SP 42503000,	SP 42502000,	SP 48002000,
	SP 48001000,	SP 40001000,	SP 40002000,
	SP 35502000,	SP 35503200,	SP 44003200,
	SP 44004000,	SP 40004000,	SP 40005000.

A production licence grants the right to search, bore for and get petroleum, which is defined as any mineral oil or relative hydrocarbon and natural gas existing in its natural condition in strata, but excluding coal, bituminous shale or other stratified deposits from which oil can be extracted by destructive distillation. An exploration licence of this type grants the right to search but not bore for petroleum. The exercise of the right granted by these licences is subject to all necessary permissions, including planning

permission where necessary. I refer my hon. Friend to my reply of 27 June for the details of licensees, date of grant and period of licence.

Mr. Pawsey asked the Secretary of State for Energy what information is available to him as to any correlation between the incidence of coal deposits in south Warwickshire and of hydrocarbons, including oil, in that approximate area; and if he will make a statement.

Mr. Buchanan-Smith: The National Coal Board has sent out to local authorities its proposals for the development of the 400-million tonne reserve of coal in south Warwickshire. There is no information available to confirm the presence of hydrocarbons in this area.

DEFENCE

Multilaunch Rocket System

Mr. Pike asked the Secretary of State for Defence what is the latest position on production of the multilaunch rocket system project; and if he will make a statement.

Mr. Butler: I have nothing to add to the answer given to the hon. Member on 22 May 1985 at columns *424-5*.

Dry Training

Mr. Maclean asked the Secretary of State for Defence if it would be possible to carry out at Spadeadam all the dry training he now propses should take place on land at Stainmore; and if he will make a statement.

Mr. Lee: No.

Mr. Maclean asked the Secretary of State for Defence if he will now undertake urgent studies into the potential use of land on the north-west and south-east of the present firing points on Worcop ranges for the purposes of dry training.

Mr. Lee: No. This land is privately owned and we have no indication that it is to become available for purchase or lease.

Mr. Maclean asked the Secretary of State for Defence if he will now withdraw his proposal to acquire land for dry training at Stainmore in light of the decision by Eden district council to object to the proposal.

Mr. Lee: We have just received the council's response to the PSA's notice of proposed development. We are now considering the way forward.

Mr. Maclean asked the Secretary of State for Defence what would be the future of Worcop and the live firing ranges if he fails to acquire additional land for dry training at Stainmore.

Mr. Lee: Use of Warcop training area would continue as at present. However, we would still face difficulties in providing suitable facilities for low level training for small units in military skills for which there is no need for live ammunition to be fired, and we would therefore continue to have a requirement to acquire a dry training area close by.

Mr. Maclean asked the Secretary of State for Defence if he will publish the figures showing the maximum potential utilisation of Warcop at present and its actual usage over the last two years.

Mr. Lee: There is a very heavy, continuing demand for the training facilities at Warcop training area, which are almost invariably used to capacity. It is not possible to produce realistic figures to show what the maximum potential usage of the training area would be as these will vary depending on the assumptions used in the calculation about the nature and pattern of the training being conducted. The usage in 1983-84 amounted to 112,324 man training days and in 1984-85 to 177,736 man training days.

Houses

Mr. Hancock asked the Secretary of State for Defence if he will list the number of houses in his Department's ownership in Portsmouth, Gosport, Fareham and Havant districts; and how many of these are currently occupied.

Mr. Lee: The numbers are as follows:

	Stock	*Occupied*
Royal Navy		
Portsmouth	1,586	4285
Gosport	3,622	
Fareham	87	
Havant	—	
Army		
Gosport Portsmouth	111	109
Thorney Island	211	198

The unoccupied Royal Navy houses are vacant for the following reasons:

	Number
Vacant allocated	42
Vacant furnishing	45
Awaiting works services	196
Undergoing works services	252
Vacant	502

Plans are in hand to reduce our stocks of houses significantly over the next few years.

Arms Sales

Mr. Barnett asked the Secretary of State for Defence if he will publish a table in the *Official Report* showing the percentage value of total arms exports sold and delivered to each African country for 1980 to 1984.

Mr. Butler: It has been the consistent policy of successive Governments not to publish detailed figures of defence sales to individual overseas customers beyond those given in volume II of the statement on the Defence Estimates.

Mr. Barnett asked the Secretary of State for Defence if he will make a statement on the current level of sales by the Defence Sales Organisation regarding British arms sales to the Third world and indicate the expected rate of increase in arms deliveries for 1985 as compared with 1983 and 1984.

Mr. Butler: The Defence Sales Organisation is fundamentally concerned with supporting sales by British industry, whose export figures are given as follows. There is no generally accepted definition of the term "Third-world" countries. However, taking the 45 poorest countries in the world according to the 1985 World Bank atlas—excluding states with a population of less than 100,000 and all dependencies—the value of United

Kingdom defence contracts known to us for 1983 was £842·4 million. The comparative figure for 1984 was £443·36 million; no meaningful statistics are yet available for the first half of 1985.

Mr. Barnett asked the Secretary of State for Defence if he will make a statement outlining his policy with regard to safeguards and standards governing the supply and sale of arms to countries in the Third world.

Mr. Butler: Arms sales to any country require an export licence, and before this authority is granted a wide variety of considerations is taken into account. These considerations will vary depending on individual circumstances, but they will always include the stability of the region, the nature of the equipment to be sold, the Government of the purchasing country and their policies, the need to safeguard British dependent territories and our national security interests. These criteria are kept under review in the light of changing circumstances.

Brecon Barracks (Cleaning)

Mr. Corbyn asked the Secretary of State for Defence what is the name of the firm which has the contract for cleaning Brecon barracks.

Mr. Lee: The name of the firm which has the contract for cleaning Brecon barracks is Office Cleaning Services (Wales) Ltd.

Faslane

Mr. Donald Stewart asked the Secretary of Defence what steps he takes to satisfy himself of the safety of the convoy travelling regularly beween Burghfield and Faslane; and if he will list all recent incidents, including mechanical failure of the transporters, which have taken place, together with their locations.

Mr. Stanley: All aspects of safety remain under review. The information on incidents which the right hon. Member has requested might enable the routes of military convoys to be deduced and it is not our general practice to disclose the routes of military convoys.

NATIONAL FINANCE

Private Sector Industry

49. **Mr. Michael Marshall** asked the Chancellor of the Exchequer what opportunities are provided to improve the understanding of senior officials in his Department of the practical workings of the private sector of industry.

Mr. Hayhoe: Secondments to private sector firms for two or three years are a matter of Treasury policy. Five officials at principal level or above are at present on such secondments. In addition, a few officials are having or have had non-executive appointments to company boards.

Privatisation Programme

Mr. Gould asked the Chancellor of the Exchequer if he will list the parts of the publicly-owned sector which have been privatised since 1979, distinguishing between nationalised industries and other organisations.

Mr. Moore: The 1985 public expenditure White Paper (Cmnd. 9428, table 2.14) gives details of special sales of assets from 1979-80 to 1983-94. The main sales in 1984-85 were Enterprise Oil, British Telecom, the Government's remaining shares in Associated British Ports Holdings, various National Enterprise Board shareholdings, and ninth round North sea oil licence premia. Full details for 1984-85 will be published in the next public expenditure White Paper. Additionally, in 1984-85, BLMC Limited sold Jaguar PLC and retained the receipts.

Among the main concerns transferred to the private sector since 1979, the following were, or were part of, nationalised industries:

British Aerospace
National Freight Company
Britoil
Associated British Ports Holdings
International Aeradio
British Rail Hotels
Wytch Farm
Enterprise Oil
Sealink
British Telecommunications
Scott Lithgow

British Rail, British Shipbuilders, British Steel Corporation, National Coal Board and Scottish Transport Group have also disposed of a number of other smaller subsidiaries and peripheral activities during the period.

Nationalised Industries

Mr. Gould asked the Chancellor of the Exchequer what external financing limits were set for nationalised industries in 1982-83, 1983-84 and 1984-85; and how these limits compare with the outturn in each case.

Mr. Peter Rees: Available information is set out in the following table.

Provisional outturn figures for 1984-85 will be published shortly in the 1984-85 cash limits White Paper.

(£ million)

Industry	*1982-83*			*1983-84*			*1984-85*	
	*EFL**	*Revised EFL**	*Outturn†*	*EFL‡*	*Revised EFL‡*	*Outturn‖*	*EFL¶*	*Revised EFL●*
National Coal Board	1,026	962	951	1,111	1,195	1,183	1,103	1,094
Electricity (England & Wales)	−232	−148	−154	−312	−418	−485	−740	−746
North of Scotland Hydro-Electric Board	11	9	−2	7	−2	−20	−2	−3
South of Scotland Electricty Board	214	211	127	283	274	253	261	261
British Gas Corporation	−75	−87	−230	−8	−43	−45	−100	−188
British National Oil Corporation■	−85	−85	−60	−1	9	10	−4	66
British Steel Corporation	350	575	568	195	321	318	275	343
British Telecom•	340	310	−323	96	−117	−225	−250	−262
Post Office	−25	−56	−60	−43	−51	−62	−52	−60
National Girobank	—	—	−1	—	−1	−1	−1	−1
British Airways Board•	−9	−10	−35	5	−58	−174	−160	−162
British Airports Authority	48	47	2	33	33	18	10	10
British Railways Board	950	923	848	960	953	811	936	930
British Transport Docks Board#	−7	−7	−12	—	—	—	—	—
British Waterways Board	40	39	39	42	41	41	43	43
National Bus Company	71	68	62	67	65	65	66	64
Scottish Transport Group	21	20	8	19	19	15	16	15
British Shipbuilders	125	122	120	150	180	306	175	217
Civil Aviation Authority	—	—	3	21	21	−8	20	19
Water (England and Wales)	—	—	291	365	359	350	286	287
Enterprise Oil•	—	—	—	—	—	−65	—	—
Total Industries	2,763	2,893	2,143	2,989	2,780	2,285	1,881	1,927

Notes:

* as in cash limits 1982-83 provisional outturn White Paper (Cmnd. 8987), table 6. EFL column is also as in 1982-83 Financial Statement and Budget report, table 21. Water (England and Wales) and the Civil Aviation Authority were not at that time included with the nationalised industries for EFL purposes.

† as in 1984 public expenditure White Paper (Cmnd. 9143), table 3.3

‡ as in cash limits 1983-84 provisional outturn White Paper (Cmnd. 9323), table 6. EFL column is also as in 1983 public expenditure White Paper (Cmnd. 8789), table 3.5.

‖ as in 1985 public expenditure White Paper (Cmnd. 9428), table 5.3.

¶ as in 1984 public expenditure White Paper (Cmnd. 9143), table 3.5.
● as revised during year to take account of abolition of national insurance surcharge and other changes.
■ 1982-83 outturn figures for BNOC take account of the disposal of its former exploration and production activities in November 1982.
* Aggregate EFLs for 1984-85 published in Cmnd. 9143 made the same assumptions about Enterprise Oil, British Telecom and British Airways as did the 1983 Autumn Statement but did not give individual EFLs for those industries. The 1984-85 EFLs quoted in the table are as set out in the 1983 Autumn Statement.
# BTDB was privatised in February 1983. Outturn shown to that point.

Mr. Gould asked the Chancellor of the Exchequer what organisations are recognised as nationalised industries for the purposes of the application of external financing limits in 1985-86.

Mr. Peter Rees: Nationalised industries and their external financing limits (EFLs) for 1985-86 are set out in table 5.5 of the 1985 public expenditure White Paper (Cmnd. 9428), except British Airways, for which no EFL was announced in view of impending privatisation.

EC (Capital Market)

Sir Brandon Rhys Williams asked the Chancellor of the Exchequer what steps he is taking to ensure that progress in the European Community towards the completion of the internal market should include the development of a fully integrated market for capital.

Mr. Ian Stewart: The Government welcome the proposals in the Commission's White Paper on the internal market for removing barriers to the freedom to provide financial services throughout the Community. In the Government's view, the single most important step which could be taken to bring about an integrated market in financial services would be the abolition of exchange controls. The United Kingdom takes all appropriate opportunities to emphasise in the Council of Ministers the importance of free capital markets.

Income Tax

Mr. Portillo asked the Chancellor of the Exchequer what proportion of total receipts from income tax is paid by taxpayers on average and below average incomes.

Mr. Moore: I shall let my hon. Friend have a reply as soon as possible.

Mr. Portillo asked the Chancellor of the Exchequer in how many countries of which he has knowledge the starting rate of national income tax is higher than 30 per cent.

Mr. Moore [*pursuant to his reply*, 27 June 1985, c. *493*]: One, Ireland, with a starting rate of 35 per cent.

Departmental Offices

Mr. Michael Marshall asked the Chancellor of the Exchequer what consideration he has given to the use of labour-saving benefits from the use of new technology to enable offices of bodies for which his Department is responsible which directly serve the public to remain open in the evening and at weekends.

Mr. Hayhoe: The Treasury as such is not responsible for any bodies the offices of which provide a direct service to the public.

Business Expansion Scheme

Mr. Michael Marshall asked the Chancellor of the Exchequer (1) how many jobs have been created by the business expansion scheme; and what is the average cost of each job created;

(2) what is the average failure rate among firms which have received support from the business expansion scheme; and how these figures compare with the average failure rate of small businesses in general.

Mr. Moore: I shall let my hon. Friend have a reply as soon as possible.

EC (Own Resources)

Mr. Gould asked the Chancellor of the Exchequer, pursuant to the answer of 16 May, *Official Report*, columns *191-92*, concerning EC own resources, to what factors he attributes the fact that the United Kingdom's value added tax contribution, as a percentage of gross domestic product, has risen by more than that of any other member state except Luxembourg since 1980.

Mr. Ian Stewart [*pursuant to his reply*, 27 June 1985, c. *492*]: Value added tax contributions to the EC are affected by a variety of factors, including the pattern of consumer expenditure and the prevailing economic climate in each country. Moreover, member states' annual VAT contributions shown in the table include adjustments relating to previous years. These factors distort comparisons between changes in United Kingdom VAT contributions as a percentage of GDP and those of other member states.

Such comparisons need, in any case, to take account of the United Kingdom's refunds and abatements. The Fontainebleau agreement now ensures that the United Kingdom's VAT contributions will be substantially reduced.

VAT

Mr. Stephen Ross asked the Chancellor of the Exchequer what assessment he has made of the effect on small businesses of the current value added tax exemption limit.

Mr. Hayhoe: The effect of the VAT exemption limit on small businesses is kept under regular review. A proper balance is required between the need to contain the administrative costs of the tax for both traders and Customs and Excise on the one hand and, on the other, the need to maintain the yield of tax and minimise distortion of competition between those who are registered for VAT and those who are not. Increases in the limit are restricted by the EC sixth VAT directive to those amounts which maintain its value in real terms. The Government consider that the level set in the directive is too low; the matter has been raised in the European Council and the Government will continue to press this point.

SOCIAL SERVICES

Bank Accounts

Mr. Shersby asked the Secretary of State for Social Services what is the most recent information available to his Department from the banks concerning the percentage of the adult population who are still without bank accounts; and what estimate he has made of the proportion who are social security beneficiaries.

Mr. Whitney: The latest information available to the Department indicates that 27 per cent. of adults have no account of any kind with a bank. It is not possible to estimate what proportion are social security beneficiaries.

Credit Transfer

Mr. Shersby asked the Secretary of State for Social Services what estimate he has made of the financial advantage to his Department of using automated credit transfer and retaining pension money for longer than if it is supplied to the Post Office to fund payment by order book.

Mr. Whitney: On average, payment of pensions by automated credit transfer rather than by weekly order book produces a financial advantage to the Department from retaining the money longer of rather less than ½ per cent. of the amount paid out.

Mr. Shersby asked the Secretary of State for Social Services what is his latest estimate of the annual cost of paying pensions by automated credit transfer against the annual cost of payment by order books.

Mr. Whitney: We estimate that in 1984-85 it cost £9·00 to pay a retirement pension by four-weekly automated credit transfer and £18·20 by weekly payment by order book.

Mr. Shersby asked the Secretary of State for Social Services if he will now assess the additional offsetting savings that would accrue from beneficiaries accepting automated credit transfer on the basis of payment two weeks in advance and two weeks in arrears instead of four weeks in arrears.

Mr. Whitney: There would be offsetting savings only if the change led to an increase in the number of beneficiaries accepting payment by automated credit transfer rather than by order book. The extent to which this would happen can only be conjectural and no reliable figures for the saving can be given.

Supplementary Benefit

Mr. Frank Field asked the Secretary of State for Social Services how many households in December 1983 and December 1984 were having weekly deductions made from their supplementary benefit for electricity and how many for gas, under £2 per week and in each £1 band above £2 per week.

Mr. Whitney: The table sets out the information requested as recorded in the annual statistical inquiry for December 1983. The information is not yet available for December 1984.

Fuel Direct Deductions—December 1983

Range of Deductions	*Electricity Direct Arrangements*	*Gas Direct Arrangements*
£		
0·01— 2·00	3,825	1,796
2·01— 3·00	5,435	3,252
3·01— 4·00	9,985	5,660
4·01— 5·00	12,959	10,879
5·01— 6.00	16,199	13,120
6·01— 7·00	18,862	13,758
7·01— 8·00	13,809	14,204
8·01— 9·00	11,708	11,836
9·01—10·00	8,515	7,809
10·01—11·00	8,192	3,891
11·01—12·00	7,245	2,496
12·01 and over	22,816	3,394
All Cases	139,553	92,096

Notes:
1. Some claimants have direct payment arrangements in respect of more than one type of fuel so the number of households affected will be less than the total number of arrangements.
2. Totals do not sum due to rounding.

Nurses (Back Pain)

Mr. Pavitt asked the Secretary of State for Social Services when he expects to complete his consideration of the research report into back pain amongst nurses and of the report of the independent assessors.

Mr. Kenneth Clarke: I cannot at present give a firm date. As I explained in my reply to the right hon. Member for Stoke-on-Trent, South (Mr. Ashley) on 27 March, we need to give careful consideration to this report before we can decide whether and, if so, what further useful guidance should be given to health authorities.

Mr. Philip Leitch (Suicide)

Mr. Meacher asked the Secretary of State for Social Services if he will publish his findings about Mr. Philip Leitch's alleged suicide; when he expects to complete his inquiry; and if he will make a statement.

Mr. Newton: Following reports about Mr. Leitch's attempted suicide, we have received a report from the DHSS office in Telford about his claim for supplementary benefit. While it would not be appropriate for the Department to make public the details of an individual's claim for benefit, I can say that the independent adjudicating authorities have now determined that Mr. Leitch is exempt from the time limits on payment as a boarder.

Patient Statistics

Sir David Price asked the Secretary of State for Social Services what was the total number of people in England registered with a general practitioner at the latest convenient date; and what percentage of the total population this represents.

Mr. Kenneth Clarke: The total number of patients in England registered with a general medical practitioner at 1 October 1983 was 49,262,580. This represented 105·66 per cent. of the total civilian population in England. The difference is accounted for by delays in removing from doctors' lists patients who have died, emigrated, or

transfered to other doctors. This inflation of lists is extremely unsatisfactory but it does not cause additional cost to taxpayers because the remuneration and total fee structure for general practitioners is based on a target average remuneration for all practitioners.

NHS (Expenditure)

Mr. Meacher asked the Secretary of State for Social Services if he will set out the total gross expenditure, current and capital, on the National Health Service in England for each year since 1971-72 for *(a)* hospital and community health services, *(b)* family practitioner committees and their predecessors and *(c)* centrally funded services with the percentage increase in real terms (gross domestic product deflator), percentage increase deflated by the retail prices index and percentage increase deflated by movements in National Health Service pay and prices.

Mr. Kenneth Clarke: The tables set out total gross expenditure (current and capital) in the National Health Service in England for each year since 1971-72. Percentage changes in real terms are measured by the gross domestic product deflator. As the hon. Member has specifically asked for the figures to be deflated by the retail price index, and by National Health Service pay and prices, they are also given, but I do not accept that these figures are sensible measures of expenditure in real terms.

Hospital and Community Health Services
Gross Current and Capital Expenditure

	£ million cash	Percentage increase in real terms (GDP deflator)	Percentage increase deflated by the Retail Prices Index	Percentage increase deflated by NHS pay and prices
1971-72	1,433			
1972-73	1,656	+7·0	+7·9	+5·9
1973-74	1,893	+6·6	+3·5	+3·6
1974-75	2,595	+14·7	+16·3	+1·9
1975-76	3,409	+4·8	+5·4	+1·8
1976-77	3,874	+0·3	−1·4	*
1977-78	4,251	−3·5	−3·7	+0·8
1978-79	4,779	+1·6	+3·8	+2·6
1979-80	5,737	+2·8	+3·8	*
1980-81	7,435	+9·2	+11·4	+1·3
1981-82	8,293	+1·4	+0·1	+3·4
1982-83	8,827	−0·4	−0·6	+0·3
1983-84	9,321	+1·1	+0·9	+0·7
1984-85	9,874	+1·4	+0·8	+0·5

* Insignificant.

Family Practitioner Services
Gross Current and Capital Expenditure

	£ million cash	Percentage increase in real terms (GDP deflator)	Percentage increase deflated by the Retail Prices Index	Percentage increase deflated by NHS pay and prices
1971-72	484			
1972-73	534	+2·2	+3·1	+1·6
1973-74	585	+2·0	−0·9	+3·0
1974-75	697	−0·2	+1·2	*
1975-76	925	+5·8	+6·4	+5·2
1976-77	1,079	+2·9	+1·1	+5·5
1977-78	1,221	−0·5	−0·7	+2·4
1978-79	1,434	+6·2	+8·4	+1·9
1979-80	1,685	+0·5	+1·4	+0·3
1980-81	2,115	+5·8	+7·9	*
1981-82	2,442	+5·0	+3·6	+2·1
1982-83	2,829	+8·4	+8·2	+3·7
1983-84	3,039	+2·9	+2·6	+1·9
1984-85	3,371	+6·1	+5·6	+2·8

* Insignificant.

Centrally Financed Services
Gross Current and Capital Expenditure

	£ million cash	Percentage increase in real terms (GDP deflator)	Percentage increase deflated by the Retail Prices Index	Percentage increase deflated by NHS pay and prices
1971-72	83			
1972-73	90	+0·5	+1·4	+4·5
1973-74	114	+17·8	+14·4	+15·4
1974-75	134	−1·8	−0·4	−3·5
1975-76	177	+5·2	+5·9	+4·2
1976-77	196	−1·7	−3·5	−1·5
1977-78	218	−2·5	−2·7	−0·5
1978-79	242	+0·2	+2·4	+0·9
1979-80	291	+3·0	+4·0	+2·8
1980-81	365	+5·8	+7·8	+3·9
1981-82	422	+5·1	+3·7	+5·7
1982-83	477	+5·9	+5·6	+5·6
1983-84	557	+11·8	+11·6	+11·3
1984-85	602	+3·4	+2·8	+3·0

Mr. Meacher asked the Secretary of State for Social Services what has been the level of National Health Service expenditure each year since 1960; what percentage change each year this represents in real terms as measured by the retail prices index; what percentage change each year this represents in terms of National Health Service pay and prices; and what percentage change each year this represents in terms of gross domestic product.

Mr. Kenneth Clarke: I refer the hon. Member to my reply to him on 7 June at columns *291-2*.

NHS (Budget)

Mr. Meacher asked the Secretary of State for Social Services if he will set out, for each year since 1960, *(a)* Exchequer supplement, *(b)* national insurance contributions, *(c)* National Health Service charges levied and *(d)* other revenue sources contributing each year to the total National Health Service budget; and what percentage of total revenue each year came from each of these sources.

Mr. Kenneth Clarke: I refer the hon. Member to my reply to him on 14 May at columns *118-20*.

Family Credit

Mr. Meacher asked the Secretary of State for Social Services what provision he intends to make for the self-employed when family income supplement is abolished and replaced by family credit under his Green Paper proposals.

Mr. Newton: Our intention is that self-employed people, as well as employed people, will be able to claim the proposed family credit on behalf of their families.

Hospital Beds

Mr. Meacher asked the Secretary of State for Social Services if, for each of the years 1973 to 1984, he will provide such information as is available to his Department centrally as to the numbers of hospital beds in National Health Service hospitals in England in acute specialties, and in geriatrics, mental illness, mental handicap, and maternity (general practitioner and consultant obstetrics), and the total for all specialties, which were *(a)* closed as a result of the closure of complete hospitals, *(b)* closed in hospitals which were not completely closed, *(c)* provided as a result of opening new hospitals, and *(d)* provided in additions or modifications to existing hospitals.

Mr. Kenneth Clarke: We are quite unable to answer a question which requests a huge quantity of information broken down into considerable detail over a long period of years. The majority of the information requested is either not available centrally or could be obtained only at disproportionate cost.

Mr. Meacher asked the Secretary of State for Social Services if, for each of the years 1973 to 1984, he will provide such information as is available to his Department centrally, as to the numbers of hospital beds in each National Health Service region in England, also boards of governors hospitals from 1973 to 1981 and special health authorities from 1982 onwards, which were *(a)* closed as a result of the closure of complete hospitals, *(b)* closed in hospitals which were not completely closed, *(c)* provided as a result of opening new hospitals and *(d)* provided in additions or modifications to existing hospitals.

Mr. Kenneth Clarke: I see little sensible use for this information which, as I have pointed out to the hon. Member in answering previous questions, provides no worthwhile measure of activity in the National Health Service. However, information we have centrally is as follows.

a. *Hospitals approved for complete closure — number of beds involved.*

i. *1973* Information not available.

ii. *1974-79* Only the totals for England are given; figures for individual regions are not available. Totals include beds in hospitals approved for only partial closure, for which separate information is not available.

	Number of beds
1974	2,426
1975	1,977
1976	1,801
1977	3,908
1978	4,895
1979	1,987

iii. *1980-84*

Regional Health Authority	*Number of beds*				
	1980	*1981*	*1982*	*1983*	*1984*
Northern	22	14	24	225	64
Yorkshire	34	282	—	500	279
Trent	26	428	442	324	547
East Anglian	50	10	—	291	120
North West Thames	155	62	—	377	225
North East Thames	240	524	156	383	504
South East Thames	258	—	48	240	—
South West Thames	778	57	—	252	237
Wessex	46	220	—	79	80
Oxford	—	30	—	144	238
South Western	198	—	31	390	37
West Midlands	325	62	44	165	856
Mersey	108	306	42	132	714
North Western	260	22	108	194	136
Boards of Governors					
Special Health Authorities	—	—	—	42	—

Notes:

1. Temporary closures are not included.
2. Dates on which closures are implemented are not recorded centrally.

b. *Partial hospital closures—number of beds approved for closure.*

i. *1973* Information not available.

ii. *1974-79* Figures for partial closures are not available. Numbers are included within figures at paragraph ii. of part a. of this answer.

iii. *1980-84*

Regional Health Authority	*1980*	*1981*	*1982*	*1983*	*1984*
Northern	—	8	—	—	86
Yorkshire	—	108	—	70	48
Trent	—	22	—	172	122
East Anglian	—	—	32	—	—
North West Thames	7	187	28	40	256
North East Thames	—	13	80	12	—
South East Thames	—	20	39	31	—
South West Thames	—	—	—	—	—
Wessex	—	291	—	—	8
Oxford	—	56	—	—	—
South Western	—	—	—	—	7
West Midlands	—	—	44	262	213
Mersey	10	—	39	11	45
North Western	—	—	—	—	—
Boards of Governors					
Special Health Authorities	—	—	—	—	—

Notes:

1. Temporary closures are not included.
2. Dates on which closures are implemented are not recorded centrally.

(c) and (d) Number of beds provided in major new schemes.

Region	*1974*	*1975*	*1976*	*1977*	*1978*	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*
Northern	—	—	—	1,054	—	—	—	—	—	334	382
Yorkshire	—	—	340	480	—	—	—	—	763	826	112
Trent	—	—	—	1,488	1,165	—	1,003	—	—	—	—
East Anglian	—	—	—	—	—	481	—	248	—	535	—
North West Thames	793	—	—	—	—	—	—	—	—	—	368
North East Thames	—	873	—	—	—	—	—	—	293	—	286

Region	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
South East Thames	—	222	630	—	391	—	—	—	—	570	—
South West Thames	—	—	365	312	—	—	—	—	554	—	—
Wessex	—	—	—	435	482	218	—	521	—	—	—
Oxford	—	—	—	—	484	—	—	—	—	265	—
South Western	—	14	—	—	—	—	355	—	—	—	—
West Midlands	—	—	—	224	—	—	—	—	297	414	—
Mersey	—	—	—	—	—	820	—	1,007	160	208	232
North Western	—	—	—	—	—	—	700	—	—	83	—
Boards of Governors/SHAs	—	—	—	—	—	—	—	—	—	—	—

Notes:

* Information is available only for major new schemes, which include both new hospitals and additions to existing ones.

† From 1974-78 major schemes were those costing in excess of £2 million; from 1979-84 those in excess of £5 million.

‡ Information on beds provided in minor schemes is not available centrally.

‖ Information for 1973 is not available centrally.

Mr. Meacher asked the Secretary of State for Social Services if, for each of the years 1973 to 1984, he will provide such information as is available to his Department centrally, as to the average numbers of beds available daily in each National Health Service region in England, boards of governors' hospitals also, from 1973 to 1981, and special health authorities from 1982 onwards, in acute specialties, geriatrics, mental illness, mental handicap and maternity (general practitioner and consultant obstetrics) and the total for all specialties.

Mr. John Patten: The available information is given in the tables. 1984 figures are not yet available. The total number of in-patient cases rose by 17 per cent. from 5,132,000 in 1973 to 6,019,000 in 1983 and the average annual number of in-patient cases treated per available bed increased by 38 per cent. from 12·7 to 17·5.

*Average daily number of available beds in NHS hospitals in England—Acute**

Region†	1973	1974†	1975	1976	1977	1978	1979	1980	1981	1982†	1983
Northern	11,310	11,345	11,156	11,100	10,847	10,676	10,509	10,638	10,389	10,243	10,281
Yorkshire	11,351	12,785	12,578	12,264	12,164	12,032	11,855	11,794	11,729	11,640	11,593
Trent	12,950	12,110	12,118	12,270	12,222	12,298	12,197	12,028	11,940	11,783	11,728
East Anglian	4,963	4,941	4,967	5,138	5,208	5,257	5,276	5,365	5,268	5,230	5,286
North West Thames	17,083	12,794	12,651	12,483	12,061	11,568	11,288	10,711	10,673	9,900	9,728
North East Thames	13,042	15,412	15,161	15,016	14,480	14,036	13,501	12,996	12,903	13,851	13,465
South East Thames	13,425	13,638	13,267	13,283	13,011	12,272	12,083	11,715	11,459	11,307	11,217
South West Thames	13,293	9,421	9,111	9,068	8,770	8,506	8,347	7,965	7,837	7,560	7,532
Wessex	5,632	7,794	7,735	7,768	7,728	7,685	7,600	7,553	7,538	7,452	7,386
Oxford	5,828	6,402	6,327	6,335	6,204	6,073	5,976	5,827	5,825	5,851	5,791
South Western	10,559	9,252	9,304	9,156	9,052	8,993	8,872	8,893	8,949	8,922	8,849
West Midlands	15,322	15,118	14,796	14,909	14,907	14,693	14,491	14,533	14,560	14,409	14,289
Mersey	9,517	10,048	9,761	9,572	9,320	9,087	8,722	8,460	8,276	7,890	7,586
North Western	15,487	14,312	14,050	14,028	13,965	13,834	13,467	13,443	13,300	13,181	13,068
Special Health Authorities and Boards of Governors	3,647	3,065	3,013	3,030	3,002	2,901	2,861	2,800	2,821	2,624	2,583
Total	158,712	158,437	155,995	155,420	152,941	149,914	147,044	144,721	143,467	141,842	140,381

Average daily number of available beds in NHS hospitals in England—Geriatrics

Region†	1973	1974†	1975	1976	1977	1978	1979	1980	1981	1982†	1983
Northern	3,556	3,932	3,891	3,887	3,825	3,837	3,733	3,727	3,675	3,809	3,885
Yorkshire	5,124	5,613	5,553	5,420	5,466	5,404	5,307	5,259	5,205	5,089	5,041
Trent	5,469	5,068	5,115	5,101	5,092	5,172	5,055	5,053	5,153	5,204	5,229
East Anglian	2,332	2,226	2,219	2,392	2,321	2,294	2,318	2,340	2,351	2,372	2,417
North West Thames	3,500	3,130	3,173	3,183	3,237	3,250	3,234	3,348	3,422	3,366	3,329
North East Thames	3,912	4,301	4,384	4,518	4,484	4,452	4,444	4,416	4,429	4,555	4,574
South East Thames	4,381	4,343	4,350	4,372	4,389	4,367	4,284	4,247	4,208	4,237	4,233
South West Thames	3,508	3,139	3,209	3,093	3,251	3,220	3,087	3,014	3,037	3,064	3,034
Wessex	2,566	3,623	3,602	3,606	3,565	3,542	3,528	3,536	3,534	3,543	3,510
Oxford	2,407	2,223	2,180	2,158	2,175	2,132	2,085	2,070	2,055	2,027	2,006
South Western	4,757	3,847	3,868	3,851	3,860	3,858	3,745	3,696	3,739	3,771	3,848
West Midlands	6,160	5,874	5,913	6,069	6,211	6,230	6216	6,181	6,182	6,256	6,230
Mersey	2,500	3,020	2,995	3,114	3,149	3,263	3,211	3,101	3,073	3,136	3,171
North Western	6,021	5,074	5,106	4,985	4,905	4,963	4,890	4,957	5,017	5,135	5,193
Special Health Authorities and Boards of Governors	13	0	0	0	0	0	0	0	0	80	102
Total	56,184	55,413	55,558	55,749	55,930	55,986	55,139	54,947	55,082	55,646	55,801

Average daily number of available beds in NHS hospitals in England—Mental illness‡

Region†	1973	1974†	1975	1976	1977	1978	1979	1980	1981	1982†	1983
Northern	7,157	6,999	6,925	6,633	6,347	6,158	6,144	6,054	6,011	5,936	5,900
Yorkshire	8,401	8,145	8,177	8,183	7,977	7,879	7,587	7,139	7,042	6,899	6,642
Trent	8,807	7,987	7,812	7,705	7,680	7,589	7,582	7,784	7,295	7,232	7,169
East Anglian	3,636	3,494	3,375	3,339	3,266	3,199	3,092	3,010	3,056	2,959	2,987
North West Thames	9,073	10,180	9,592	9,313	8,650	8,383	8,021	7,801	7,622	7,460	7,275
North East Thames	6,779	7,763	7,406	7,354	7,336	7,222	6,931	6,874	6,689	6,682	6,453
South East Thames	7,363	7,534	8,388	7,909	7,638	7,313	7,115	6,934	6,861	6,634	6,473
South West Thames	16,356	10,975	9,293	8,849	8,489	7,932	7,619	7,395	7,054	6,694	6,585
Wessex	5,340	6,040	5,117	4,881	4,751	4,473	4,344	4,222	4,148	4,102	4,036
Oxford	3,477	3,459	2,989	2,937	2,690	2,594	2,608	2,534	2,445	2,374	2,306
South Western	8,788	7,121	6,503	6,260	5,998	5,861	5,734	5,695	5,506	5,346	5,095
West Midlands	10,493	10,209	9,561	9,222	8,908	8,915	8,753	8,499	8,236	8,112	7,823
Mersey	6,077	7,021	7,003	6,912	6,745	6,762	6,519	6,316	6,322	6,200	5,903
North Western	8,624	7,086	6,818	6,773	6,613	6,443	6,592	6,708	6,709	6,759	6,698
Special Health Authorities and Boards of Governors	408	403	412	418	411	409	402	431	439	442	442
Total	109,650	104,416	99,371	96,688	93,499	91,129	89,045	87,396	85,436	83,831	81,786

Average daily number of available beds in NHS hospitals in England—Mental handicap

Region†	1973	1974†	1975	1976	1977	1978	1979	1980	1981	1982†	1983
Northern	3,676	3,698	3,675	3,618	3,563	3,488	3,336	3,326	3,226	3,160	3,138
Yorkshire	3,704	3,746	3,604	3,554	3,527	3,506	3,482	3,432	3,321	3,203	3,116
Trent	4,965	4,989	4,979	5,078	5,086	5,000	4,878	4,703	4,609	4,520	4,382
East Anglian	1,702	1,689	1,701	1,735	1,667	1,631	1,626	1,602	1,598	1,597	1,570
North West Thames	5,357	4,590	4,446	4,338	4,209	4,140	3,962	3,904	3,884	3,835	3,742
North East Thames	3,337	3,218	3,079	2,975	2,882	2,812	2,818	2,684	2,646	2,504	2,513
South East Thames	3,965	3,918	3,771	3,562	3,509	3,495	3,415	3,318	3,225	3,198	3,021
South West Thames	6,499	6,605	6,574	6,547	6,428	6,247	6,095	5,947	5,811	5,706	5,596
Wessex	1,971	2,546	2,496	2,410	2,412	2,436	2,451	2,453	2,400	2,393	2,338
Oxford	2,237	2,134	2,124	2,122	2,100	2,046	2,009	1,994	1,930	1,878	1,782
South Western	5,793	5,699	5,410	5,124	5,012	4,919	4,855	4,705	4,701	4,570	4,446
West Midlands	5,561	5,268	5,174	5,033	4,964	4,782	4,600	4,394	4,311	4,275	4,076
Mersey	1,548	2,615	2,604	2,583	2,571	2,537	2,504	2,424	2,357	2,321	2,210
North Western	5,815	4,447	4,502	4,413	4,331	4,235	4,072	3,970	3,859	3,815	3,695
Special Health Authorities and Board of Governors	24	24	24	24	20	20	17	8	8	8	8
Total	56,130	55,186	54,163	53,116	52,281	51,295	50,122	48,863	47,888	46,983	45,631

Average daily number of available beds in NHS hospitals in England—Maternity‖

Region†	1973	1974†	1975	1976	1977	1978	1979	1980	1981	1982†	1983
Northern	1,538	1,561	1,512	1,489	1,408	1,322	1,321	1,285	1,872	1,280	1,276
Yorkshire	1,588	1,785	1,745	1,692	1,608	1,544	1,536	1,531	1,522	1,514	1,489
Trent	2,161	2,069	2,046	1,973	1,907	1,861	1,798	1,747	1,744	1,764	1,735
East Anglian	782	779	777	781	766	754	749	732	726	718	704
North West Thames	1,991	1,627	1,558	1,455	1,364	1,355	1,335	1,287	1,277	1,208	1,181
North East Thames	1,556	1,862	1,837	1,819	1,712	1,646	1,601	1,581	1,544	1,564	1,589
South East Thames	1,572	1,603	1,563	1,482	1,395	1,363	1,347	1,342	1,304	1,283	1,259
South West Thames	1,580	1,270	1,276	1,193	1,116	1,054	1,033	1,034	1,013	950	932
Wessex	905	1,233	1,175	1,185	1,160	1,117	1,677	1,058	1,021	1,024	1,005
Oxford	965	1,008	977	951	905	881	869	879	874	863	813
South Western	1,519	1,277	1,276	1,215	1,162	1,132	1,116	1,122	1,113	1,117	1,087
West Midlands	2,352	2,322	2,303	2,269	2,128	2,086	2,025	2,008	1,980	2,002	1,955
Mersey	1,115	1,228	1,206	1,179	1,132	1,056	982	979	949	924	931
North Western	2,183	1,908	1,868	1,841	1,836	1,764	1,712	1,683	1,695	1,703	1,650
Special Health Authorities and Boards of Governors	219	138	138	135	136	140	138	137	139	192	192
Total	21,804	21,670	21,257	20,659	19,735	19,075	18,640	18,406	18,176	18,108	17,799

Average daily number of available beds in NHS hospitals in England—All specialties

Region†	1973	1974†	1975	1976	1977	1978	1979	1980	1981	1982†	1983
Northern	27,237	27,752	27,409	26,992	26,254	25,746	25,305	25,283	24,825	24,679	24,728
Yorkshire	30,168	32,117	31,714	31,246	30,890	30,539	29,946	29,298	28,959	28,488	28,034
Trent	33,632	32,307	32,175	32,292	32,187	32,122	31,712	31,516	30,944	30,744	30,481
East Anglian	13,415	13,142	13,052	13,398	13,241	13,156	13,094	13,088	13,038	12,914	13,001
North West Thames	37,004	32,377	31,474	30,826	29,575	28,752	27,904	27,116	26,947	25,852	25,342
North East Thames	28,626	32,679	32,004	31,830	31,040	30,311	29,443	28,703	28,357	29,298	28,741
South East Thames	30,706	31,140	31,474	30,750	30,092	29,188	28,408	27,719	27,217	26,816	26,356

Region†	*1973*	*1974†*	*1975*	*1976*	*1977*	*1978*	*1979*	*1980*	*1981*	*1982†*	*1983*
South West Thames	41,228	31,515	29,553	28,816	28,115	27,020	26,242	25,416	24,799	24,021	23,719
Wessex	16,414	21,258	20,146	19,869	19,634	19,271	19,021	18,844	18,662	18,546	18,310
Oxford	14,914	15,296	14,668	14,613	14,184	13,836	13,664	13,422	13,247	13,113	12,817
South Western	31,416	27,259	26,467	25,719	25,190	24,892	24,456	24,245	24,143	23,861	23,459
West Midlands	39,888	38,974	37,952	37,715	37,310	36,889	36,263	35,782	35,437	35,228	34,544
Mersey	20,757	23,962	23,613	23,406	22,964	22,732	21,981	21,331	21,025	20,519	19,848
North Western	38,121	32,827	32,344	32,053	31,681	31,310	30,811	30,839	30,662	30,677	30,384
Special Health Authorities and Boards of Governors	4,311	3,630	3,587	3,607	3,569	3,470	3,419	3,376	3,407	3,346	3,327
Total	403,526	396,235	387,632	383,132	375,926	369,235	361,670	355,979	351,669	348,104	343,091

* "Acute" is defined as all specialties except geriatrics, younger disabled, GP maternity, obstetrics, mental handicap and mental illness.

† Figures prior to 1974 relate to regional hospital boards and thereafter to regional health authorities. Because of NHS restructuring in 1974 and 1982 the regional figures are not strictly comparable over the whole period.

‡ Includes all mental illness specialties.

‖ Includes GP maternity and obstetrics.

Disabled People (Telephones)

Mr. Alfred Morris asked the Secretary of State for Social Services how many telephones were provided for disabled people by local authorities in 1970-71, and in the latest year for which figures are available.

Mr. Newton: The earliest and latest available data on assistance given by local authorities with respect to the provision of telephones are given in the table. The figures include provision for elderly as well as disabled people.

England

Type of Assistance	*1972-73 (Number of households assisted)*	*1983-84 (*) (Number of cases of assistance)*
Installation of:		
Telephones	16,760	14,461
Attachments	710	2,945
Payment of telephone rentals	12,105	93,326

(*) provisional data

Anorexia Nervosa and Bulimia

Mr. Dykes asked the Secretary of State for Social Services if he has received the results of the studies into the incidence of anorexia nervosa and bulimia conducted at Leeds and Edinburgh universities; and what guidance his Department issues about encouraging better balanced dietary behaviour to avoid these conditions.

Mr. John Patten: I shall let my hon. Friend have a reply as soon as possible.

Chrysoidine Dye

Mr. Mason asked the Secretary of State for Social Services (1) what futher meetings have taken place of his Committee on Carcinogenicity of Chemicals in Food, Consumer Products and the Environment since December 1984; whether it has further reviewed the possible links between chrysoidine dye and bladder cancer and especially the effects on anglers who use chrysoidine-dyed maggots; and if he will make a statement;

(2) what further evidence the Committee on Carcinogenicity of Chemicals in Food, Consumer Products and the Environment has sought and examined on the possible clinical and epidemiological effects of chrysoidine dye; and if he will make a statement.

Mr. John Patten: The Committee on Carcinogenicity of Chemicals in Food, Consumer Products and the Environment has held two meetings since December 1984. In the absence of any new evidence at the time relating to the health effects of chrysoidine dye, the committee did not review the advice it had previously given, and to which I referred in my reply to the right hon. Member on 21 January at column *342*.

Mr. Mason asked the Secretary of State for Social Services if he will examine the case control study undertaken by two researchers in Birmingham, a copy of which he has received, concerning coarse fishing and the risk of urothelial cancer and the links with chrysoidine dye; whether he will now ban the use of chrysoidine dye; and if he will make a statement.

Mr. John Patten: We are taking medical advice on the report of this study. Any ban on the supply of chrysoidine for use as a maggot-dye would be a matter for my right hon. Friend the Secretary of State for Trade and Industry. Acting on medical advice from this Department, he has already advised anglers to exercise care when using the dye. In the light of the advice we ourselves receive, further advice will be given to my right hon. Friend.

Birth Statistics

Lord James Douglas-Hamilton asked the Secretary of State for Social Services what percentage of live births in each of the last 10 years and in total were to unmarried parents in England and Wales.

Mr. John Patten: The available statistics for England and Wales relate to births which were registered as illegitimate and are as follows:

Year of birth	*Percentage of live births which were registered as illegitimate*
1975	9·1
1976	9·2
1977	9·7
1978	10·2
1979	10·9
1980	11·8
1981	12·8
1982	14·4
1983	15·8
1984	17·3
1975-84	12·2

Chiropody

Mr. Steen asked the Secretary of State for Social Services (1) what is the estimated cost of offering free chiropody services to one-armed war pensioners;

(2) if he will introduce free chiropody services for one-armed war pensioners; and if he will make a statement.

Mr. Newton: I shall let my hon. Friend have a reply as soon as possible.

NHS Staff (Contractual Obligations)

Mr. Dobson asked the Secretary of State for Social Services (1) whether National Health Service staff are contractually obliged to clean, to maintain or to repair equipment *(a)* owned by or *(b)* managed by private companies in (i) premises owned by the health authority, (ii) premises owned by the private company and (iii) premises owned by the health authority but leased to the private company;

(2) whether National Health Service staff are contractually obliged to care for *(a)* private patients or *(b)* National Health Service patients treated with equipment (i) owned by or (ii) managed by private companies in (x) premises owned by the health authority, (y) premises owned by the private company and (z) premises owned by the health authority but leased to the private company;

(3) whether National Health Service staff are contractually obliged to care for National Health Service patients receiving treatment in private clinics.

Mr. Kenneth Clarke: We do not hold centrally information about the contractual obligations of individual National Health Service employees.

Medical Information

Mr. Dobson asked the Secretary of State for Social Services if he will list the information routinely collected from health authorities and family practitioner committees; and if he will place a copy of each return form in the Library.

Mr. Kenneth Clarke: I shall let the hon. Member have a reply as soon as possible.

Transplant Operations

Mr. Dobson asked the Secretary of State for Social Services (1) if he will list the number of United Kingdom nationals treated for heart transplant operations in *(a)* Harefield hospital and *(b)* other National Health Service hospitals since the programme began;

(2) if he will list the number of foreign nationals treated for heart transplant operations in *(a)* Harefield hospital and *(b)* other National Health Service hospitals since the programme began;

(3) if he will list the number of United Kingdom nationals treated for heart/lung operations at *(a)* Harefield hospital and *(b)* other National Health Service hospitals since the programme began;

(4) if he will list the number of foreign nationals treated for heart/lung operations at *(a)* Harefield hospital and *(b)* other National Health Service hospitals since the programme began.

Mr. John Patten: During the period between the start of the current programme in 1979 and 1 April 1985, the most recent date for which information is available centrally, heart and heart/lung transplant operations were performed only at Harefield and Papworth hospitals. The number of patients transplanted were as follows:

	Harefield	*Papworth*
United Kingdom nationals receiving heart transplant	139	105
Foreign nationals receiving heart transplants	34	1
United Kingdom nationals receiving heart/lung transplants	6	3
Foreign nationals receiving heart/lung transplants	4	—

A small number of these patients underwent a second heart transplant operation. Since 1 April 1985, two United Kingdom nationals have received heart transplants at the Freeman hospital, Newcastle.

Mr. Dobson asked the Secretary of State for Social Services (1) if he will give the average length of stay of a heart transplant patient at Harefield hospital;

(2) if he will give the average length of stay of a heart/lung transplant patient at Harefield hospital.

Mr. John Patten: The recently published report "The Costs and Benefits of the Heart Transplant Programmes at Harefield and Papworth Hospitals" gives an average length of stay of 23·8 days from assessment to post transplant discharge for patients receiving heart transplants at Harefield hospital during the first nine months of 1984. No corresponding data are given for patients receiving heart/lung transplants, but we would expect the average length of stay to be considerably greater.

Foreign Nationals (Charges)

Mr. Dobson asked the Secretary of State for Social Services if he will list for each health authority the number of foreign nationals treated for the latest available year and not paying charges set out in HC(85)14.

Mr. John Patten: This information is not held centrally.

Mr. Dobson asked the Secretary of State for Social Services what are the conditions under which foreign nationals pay charges different from those set out in HC(85)14.

Mr. John Patten: There are no circumstances in which those foreign nationals who are liable to charges pay at rates different from those set out in HC(85)14.

Mr. Dobson asked the Secretary of State for Social Services whether charges to foreign nationals are determined by individual health authorities when not as set out in HC(85)14.

Mr. John Patten: No. Health authorities have no power to determine charges for overseas visitors.

NHS (Private Contractors)

Mr. Dobson asked the Secretary of State for Social Services if he will give for each year since 1979 the percentage of the expenditure on *(a)* laundry, *(b)* domestic cleaning and *(c)* catering which has been paid to private contractors in the National Health Service.

Mr. Kenneth Clarke: Following is the information requested:

	Laundry	Domestic Cleaning	Catering
	per cent.	per cent.	per cent.
1979-80	14·1	2·4	0·2
1980-81	12·0	2·5	0·3
1981-82	11·7	2·1	0·2
1982-83	11·5	2·0	0·2
1983-84	9·7	2·0	0·2

Notes:
1. The figures are calculated from information shown in the annual accounts submitted to the Department by health authorities in England.
2. Figures for 1984-85 will become available in the autumn.

Private Patients (Charges)

Mr. Dobson asked the Secretary of State for Social Services if he will place in the Library a note setting out the formulae and figures used to calculate the 1985-86 charges to private non-resident patients under section 66 of the National Health Service Act 1977.

Mr. Kenneth Clarke: This has been done.

Pharmaceutical Industry

Mr. Hoyle asked the Secretary of State for Social Services whether his Department has access to information from any sources on the net return at historic cost for *(a)* the United Kingdom pharmaceutical industry as a whole, and *(b)* pharmaceutical companies engaged in supplying products to the National Health Service in each year since 1960.

Mr. Kenneth Clarke: We have no information about comparative returns on historic costs.

Abortion

Mr. Peter Bruinvels asked the Secretary of State for Social Services if he will make it his policy that doctors agreeing to termination of pregnancies and, in particular, late terminations, on grounds of risks of deformity in the foetus, include a specific statement of the anticipated deformity on the relevant form; and if he will make a statement.

Mr. Kenneth Clarke: The Abortion Act requires that where a termination is considered because of risk of foetal deformity, two doctors should be of the opinion that there is a substantial risk that if the child were born it would suffer from such physical or mental abnormalities as to be seriously handicapped. Regulations made under the Act require that the doctor who performs the termination notifies our Chief Medical Officer and provides other information. In the case of terminations carried out because of risk of foetal abnormality, the doctor is required to state the diagnosis or suspected condition.

Mr. Frank Field asked the Secretary of State for Social Services why his Department collects no figures on the accuracy of the medical diagnosis relating to the grounds on which an abortion is granted.

Mr. Kenneth Clarke: Regulations made under the Abortion Act require doctors performing abortions to notify them to our Chief Medical Officer and to provide other information, including the medical diagnosis. In cases of foetal abnormality, it would not always be possible to determine whether the condition suspected was in fact present.

Primary Care

Mr. Craigen asked the Secretary of State for Social Services when he expects to publish the Green Paper on primary care; and what consideration is being given to the problems of ancillary staffing at health centres, especially in areas of social deprivation.

Mr. Kenneth Clarke: We expect to publish a Green Paper later this year but we have not set ourselves any pre-ordained timetable. The staffing of health centres is a matter for general practitioners or health authorities, depending upon the categories of staff the hon. Member has in mind.

Health Authorities (Crown Immunity)

Mr. Dobson asked the Secretary of State for Social Services what guidance he has given to health authorities on Crown immunity in National Health Service hospitals and contractors providing services there; and if he will make a statement.

Mr. John Patten: I shall let the hon. Member have a reply as soon as possible.

NHS (Pay)

Mr. Dobson asked the Secretary of State for Social Services if he will give *(a)* for the period 1979-80 to 1984-85 and *(b)* for the period 1980-81 to 1984-85 the average increase in pay levels of the following categories of staff: (i) nursing and midwifery, (ii) medical and dental, (iii) professional and technical, (iv) works, (v) maintenance, (vi) administrative and clerical, (vii) ancillary and (viii) all National Health Service directly employed staff, in England.

Mr. John Patten: Relevant information is set out in the table. Figures for total staff are not readily available.

Average Percentage Pay Increases

	*1979-80 to 1984-85**	*1980-81 to 1984-85†*
Nurses and midwives	94·0	60·5
Medical and dental	118·3	73·6
Professions allied to medicine	92·9	60·9
Technicians	71·1	39·1
Works	75·7	39·1
Maintenance	68·1	44·3
Administrative and Clerical	76·0	39·9
Ancillaries	69·1	41·0

* Using pay levels at 31 March 1979 as the base.
† Using pay levels at 31 March 1980 as the base.

Departmental Staff (Qualifications)

Mr. Tony Banks asked the Secretary of State for Social Services how many clerical officers are currently employed in his Department who do not possess a general certificate of education ordinary level pass.

Mr. Whitney: The information is not held centrally and could be obtained only at disproportionate cost.

Mr. Tony Banks asked the Secretary of State for Social Services why his Department is not prepared to accept as a qualification a general certificate of education ordinary level pass in English obtained in an examination held in Portugal.

Mr. Whitney: The Civil Service Commission rules on recruitment of clerical staff require Departments, in respect of qualifications in "English" or "English Language" obtained in countries where the mother tongue is not English, to accept only candidates with a GCE "O" level pass in English language awarded by an examining board in the United Kingdom, or an acceptable alternative qualification in English language awarded in this country.

Mr. Tony Banks asked the Secretary of State for Social Services why Mrs. Maria Shah was promoted from clerical assistant to clerical officer in his Department without her possession of a recognised pass in general certificate of education ordinary level English.

Mr. Whitney: During her employment as a casual clerical assistant with the Department Mrs. Shah was successful in an open competition for appointment at clerical officer level. She was offered such an appointment on a conditional basis, pending the usual inquiries regarding health, character, and other factors. The fact that Mrs. Shah did not have the necessary GCE O-level (or equivalent) qualification in English language was, unfortunetely, overlooked at the time. Mrs. Shah subsequently agreed to take English language at "O" level and the result is awaited.

Heating Addition

Mr. Millan asked the Secretary of State for Social Services (1) what savings he expects in the current year, 1986-87 and 1987-88, respectively, from his decision to discontinue additional payments for central heating to supplementary benefit households in respect of claims made after 5 August 1985;

(2) how many supplementary benefit households he estimates will be in receipt of additions to their benefit for central heating at 31 March 1986, 31 March 1987 and 31 March 1988, respectively, following his decision to discontinue new awards for claims made after 5 August 1985;

(3) how many supplementary benefit households at present receive an addition to their benefit for central heating; and what is the annual cost.

Mr. Newton: At December 1983, the latest date for which figures are available, 1,010,000 supplementary benefit households were in receipt of a central heating addition. At current rates, the total amount included in assessment of benefit as a result of these additions would be about £174 million a year.

The discontinuance of new awards of central heating additions from 5 August 1985 would be forecast to have the following cumulative effects under the existing supplementary benefit scheme:

Year ending 31 March	*No. of claimants affected (millions)*	*Expenditure savings (£ million)*
1986	0·2	10
1987	0·3	28
1988	0·4	55

The position after 1 April 1987 would, of course, be subsumed by the proposals for the replacement of the supplementary benefit scheme set out in the Green Paper "Reform of Social Security" (Cmnd. 9517 and 9518).

Mr. Forrester asked the Secretary of State for Social Services what instructions were issued to benefit officers in 1980 on how to implement the automatic award of heating allowance to people in receipt of mobility allowance; and whether there have been any subsequent changes in those instructions.

Mr. Newton: Instructions to our local offices on implementation of the automatic award of heating additions to supplementary benefit recipients who receive mobility allowance were contained in a Departmental circular issued on 25 July 1980. Various amendments have been made since then and up-to-date instructions are contained in the latest version of the S manual at paragraphs 4321-4336 and circulars S28/84 and S30/84, copies of which are in the Library.

State Earnings-related Pension Scheme

Mr. Meacher asked the Secretary of State for Social Services if he will provide a breakdown of the estimated cost-savings arising from the proposed phasing out of the state earnings-related pension scheme in each year from 1987 to 2035.

Mr. Newton: I refer the hon. Member to my reply to the hon. Member for Pontypridd (Mr. John) on 27 June at column *484*.

Mr. Meacher asked the Secretary of State for Social Services what percentage of band earnings *(a)* a man and *(b)* a woman on national average earnings would receive in earnings-related pension (additional component) if they had contributed to the state earnings-related pension scheme for (i) 20 years, (ii) 25 years, (iii) 30 years, (iv) 35 years and (v) 40 years.

Mr. Newton: The amount of additional component payable to *(a)* a man and *(b)* a woman who had consistently received earnings at a level equivalent to the national average would be *(a)* 19 per cent. and *(b)* 17 per cent. if based on national average earnings in the year of retirement after 20 years in the scheme. As the scheme reaches maturity in 20 years, participation in the scheme for periods in excess of that would not affect the relationship between earnings and the additional component.

Mr. Meacher asked the Secretary of State for Social Services if, under the Green Paper proposals on social security, those with fluctuating earnings who currently create an adequate record of contributions for the state earnings-related pension scheme will be eligible for an occupational pension with employer contributions.

Mr. Newton: We are considering in the course of consultations on the Green Paper how the new pension arrangements should apply to casual workers and those whose earnings only occasionally exceed a minimum level (probably the lower earnings limit for national insurance contributions). An aim in this will certainly be to include in the general requirement those whose earnings would have qualified them for benefit under the state earnings-related pension scheme.

Mr. Meacher asked the Secretary of State for Social Services what will be the level for persons retiring in each of the next 15 years, on male manual average earnings, of the additional earnings-related component they will receive if they are contracted into the state earnings-related

pension scheme; and if he will estimate the cost each year of crediting in existing pensioners at this level or by some comparable criterion.

Mr. Whitney [*pursuant to his reply*, 20 May 1985, c. *329-30*]: The table gives a broad estimate of the amount of additional earnings-related component that would be paid to a person retiring in each of the next 15 years whose earnings had been at the level of the average for male manual workers for each year since 1978. These amounts are expressed in terms of 1984/85 earnings.

	£
1985-86	11·50
1986-87	13·05
1987-88	14·55
1988-89	16·05
1989-90	17·55
1990-91	19·10
1991-92	20·60
1992-93	22·10
1993-94	23·65
1994-95	25·15
1995-96	26·65
1996-97	28·15
1997-98	29·70
1998-99	31·20
and later	(rounded to nearest 5p)

(Based on new earnings survey full time male manual earnings).

To provide detailed estimates of the total cost for a scheme for crediting in existing pensioners at these levels for each year would incur disproportionate costs but illustrative fugures for the extra expenditure involved, expressed in terms of, 1984-85 prices, can be given for certain years:

	£bn*
1985-86	4
1993-94	11½
2003-04	14½

*The final cost would be lower as there would be savings of supplementary benefit and housing benefit which cannot be quantified except at disproportionate cost.

Social Security Review

Mr. Meacher asked the Secretary of State for Social Services on what precise evidence he bases the statement in paragraph 1.28 of the Green Paper on "Reform of Social Security" that the number of pensioners is likely to rise by about four million over the next 50 years; and if he will make a statement.

Mr. Newton: The statement in paragraph 1.28 of volume 2 of the Green Paper is based on population projections prepared by the Government Actuary in consultation with the Registrars General for the report "Population Projections 1981—2021" published for the Government Statistical Service by HMSO in 1984. Full details of the way the projections were arrived at are given in this publication copies of which are in the Library.

Mr. John asked the Secretary of State for Social Services how many losers and how many gainers there would be in each of the following categories of supplementary benefit claimants if each supplementary benefit claimant who is *(a)* over 60 years, *(b)* unemployed, *(c)* a single parent, *(d)* long-term sick or disabled or *(e)* caring for the sick or disabled, had his or her requirements assessed at the average for that category; what in each case would be the average gain and the average loss; and what in each case would be the maximum gain and the maximum loss.

Mr. Newton [*pursuant to his reply*, 12 June 1985, c. *486-87*]: The analysis requested is not available and could be obtained only at disproportionate cost. Claimants' entitlement is built up from the present systems of scale rates and additional requirements.

The present scale rates for single claimants who are householders in each of the categories are as follows:

Over 60 years	35·70
Unemployed	28·05
Single parent	*28·05
Sick and disabled	*28·05
Caring for the sick and disabled	†35·70

* Ordinary rate.
† Long term rate.

Any claimant might be entitled to an additional requirement if the qualifying conditions are satisfied. For average amount for each of the additional requirements, I refer the hon. Member to my hon. Friends reply to the hon. Member for Dunfermline, East (Mr. Brown) on 10 May at column *542* as amended in his pursuant reply of 26 June at column *434*. For average amounts received by claimants with additional requirements, I refer the hon. Member to my hon. Friend's reply to my hon. Friend the Member for Hornchurch (Mr. Spicer) on 25 June at column *383-4*.

Mrs. Beckett asked the Secretary of State for Social Services how many householders will lose housing benefit completely as a result of the upratings announced in the House on 18 June.

Mr. Newton [*pursuant to his reply*, 25 June 1985, c. *386*]: It is estimated that 460,000 households will not receive rate rebate that they would otherwise have received following the proposed increase in the housing benefit rates taper above the needs allowance and the real improvement in the dependent child addition to the needs allowance this November. Of these, an estimated 340,000 will no longer receive any housing benefit.

National Insurance

Mr. Meacher asked the Secretary of State for Social Services if he has made any estimate of the annual cost of changing from an exemption to a threshold system for national insurance contributions; and if he will make a statement.

Mr. Newton: As we made clear in the Green Paper on Reform of Social Security (vol. 1, paragraph 11.5), it would cost some £6·5 billion a year to convert the existing lower earnings limit into a threshold. Such a change could only be paid for by higher contribution rates.

Mr. Tony Lloyd asked the Secretary of State for Social Services under what circumstances individuals may make up national insurance contributions which were not collected during the appropriate working years.

Mr. Whitney: If the amount of national insurance contributions paid by an individual in any tax year is insufficient for pensions purposes, he may make up the deficiency by paying voluntary (class 3) contributions.

Contributions in respect of years up to 5 April 1982 had to be paid by the end of the second year after the year in question. From April 1982 the time limit for payment has been six years. If, however, contributions for years from 1983-84 are paid more than two years late they may be charged at a higher rate.

Social Workers

Mr. Meacher asked the Secretary of State for Social Services if he will list all the new duties which have been imposed on social workers in each of the last 10 years.

Mr. John Patten: Over this period, the following Acts have assigned new or modified duties to local authority social services committees and consolidated some of their existing duties:

Children Act 1975
Supplementary Benefits Act 1976 Schedule 5
Housing (Homeless Persons) Act 1977
National Health Service Act 1977 Schedule 8
Domestic Proceedings and Magistrates' Courts Act 1978
Child Care Act 1980
Foster Children Act 1980
Mental Health Act 1983
Public Health (Control of Disease) Act 1984
Registered Homes Act 1984

NHS (Blood Supplies)

Mr. Dobson asked the Secretary of State for Social Services, pursuant to the answer of 24 June, *Official Report*, column *331*, what evidence he has that non-National Health Service hospitals may increasingly be obtaining their supplies of blood direct from National Health Service regional blood transfusion centres rather than through the hospital blood banks.

Mr. Kenneth Clarke: We have no quantitative evidence. My reply was based on views expressed by staff within the regional transfusion centres.

Disabled People (Aids)

Mr. Michael Marshall asked the Secretary of State for Social Services what sources of information on the various aids for the disabled are available to private individuals seeking to purchase equipment for their own use, for doctors and social workers seeking to provide publicly-funded equipment for clients' or patients' use and for National Health Service staff wishing to acquire such aids in bulk for use within their area.

Mr. Newton: There is a wide variety of sources of information about aids and equipment for disabled people but these are not clearly and separately designed for the different classes of user referred to by my hon. Friend. The sources include information available from the Disabled Living Foundation and from many voluntary bodies serving particular disability groups, Reports published by the Department and other bodies on the assessment and evaluation of particular ranges of equipment, manufacturers' own publicity material and information available at aids centres and exhibitions such as NAIDEX.

All these sources are mentioned in the Department's booklet 'Aids for the Disabled' (HB2) a copy of which I am sending to my hon. Friend.

Additional advice and information is available to supplies officers within the National Health Service, from this Department and the particular health regions responsible for procurement policy in aids and equipment.

Departmental Schemes (Study)

Mr. Michael Marshall asked the Secretary of State for Social Services what use is being made of computer modelling and expert systems techniques to identify the precise workings of aid, benefit, grant and subsidy schemes within his responsibility.

Mr. Whitney: Computer modelling is used by several areas of the Department including statisticians, economic advisers and the operational research service.

The use of "expert system" is not yet so widespread. The Department is involved, however, with the Government sponsored Alvey programme to develop a demonstrator system for benefit assessment. This programme includes participants from the computer industry as well as several universities.

Pensions

Mr. Meacher asked the Secretary of State for Social Services (1) if under the Green Paper proposals *(a)* men retiring at 60 years will be credited with contributions towards a full retirement pension at 65 years, *(b)* women working after 60 years will continue to get a 7 per cent. increase, above the basic pension, for each year worked and *(c)* women working after 60 years will continue to be exempt from national insurance contributions;

(2) if, under the Green Paper proposals on social security, women will continue to receive the full national insurance basic state pension when they retire at 60 years on the basis of the same contribution conditions as now.

Mr. Newton: The Green Paper makes no proposals for change in relation to the award of national insurance contribution credits for men over the age of 60, the payment of increments for periods of deferred retirement, exemption from contribution liability for women over 60 or the contribution conditions for basic retirement pension. Comments are, however, invited in paragraph 1.80 of volume 2 on how the state pension scheme might be made more flexible, for example with a decade of retirement between ages 60 and 70, without imposing unacceptably high extra costs.

Mr. Meacher asked the Secretary of State for Social Services (1) how many women retired at 60 years on a full basic state pension in 1983-84 and 1984-85, respectively;

(2) how many men and how many women earned extra retirement pension by deferring retirement to 70 and 65 years, respectively, during 1983-84 and 1984-85; and what was the average size of the increased weekly basic pension.

Mr. Newton: I shall let the hon. Member have replies as soon as possible.

Mr. Idris Pearce

Mr. Silkin asked the Secretary of State for Social Services how many hours in each month Mr. Idris Pearce is employed as property adviser to the National Health Service Board.

Mr. Kenneth Clarke: Mr. Pearce's firm, Richard Ellis, has agreed to make his services available to our Department for 1½ days a week.

Equipment (Supply)

Mr. Michael Marshall asked the Secretary of State for Social Services what account his Department takes in awarding contracts for the supply of equipment of the export potential of competing products; and if he will make a statement.

Mr. John Patten: In awarding contracts for the supply of equipment, the prime factors taken into account by the Department are the suitability of the equipment concerned for the task in hand and value for money. A number of subsidiary factors are also taken into account; these include export potential and other considerations arising from the Government's guidelines on public purchasing.

Local Offices (Opening Times)

Mr. Michael Marshall asked the Secretary of State for Social Services what consideration he has given to the use of labour-saving benefits from the use of new technology to enable offices of his Department which directly serve the public to remain open in the evenings and at weekends.

Mr. Whitney: Once the benefits of new technology have been felt in local offices in improving the current service, consideration can then be given to widening that service.

St. Helier Hospital, Merton

Mr. Corbyn asked the Secretary of State for Social Services who has been responsible for the cleaning of the St. Helier hospital, Merton, for each of the years 1982, 1983, 1984 and 1985.

Mr. Kenneth Clarke: Merton and Sutton health authority's own domestic staff were responsible for the cleaning of St. Helier hospital for the period from 1982 to 13 January 1985. Responsibility was then taken over by Mediclean, a specialist hospital cleaning service. The health authority anticipate that this change will produce savings of £800,000 a year which they will retain to spend on health services in the district.

Mr. Corbyn asked the Secretary of State for Social Services how many complaints have been received about cleaning standards at St. Helier hospital, Merton.

Mr. Kenneth Clarke: Merton and Sutton district health authority received a total of seven written complaints about cleaning standards at St. Helier hospital in the three years 1982 to 1984. It has received six written letters of complaint and six letters of praise about the cleaning standards at St. Helier since January of this year.

Legionnaire's Disease (St. Helier Hospital)

Mr. Corbyn asked the Secretary of State for Social Services how many cases of Legionnaire's disease have been reported at St. Helier hospital, Merton.

Mr. Kenneth Clarke: A single case of legionaire's disease was confirmed on 20 June at St. Helier hospital. We understand it to be an isolated case.

Mr. Corbyn asked the Secretary of State for Social Services what investigations are being mounted, and by whom, into the reported outbreak of legionnaire's disease at St. Helier hospital, Merton.

Mr. Kenneth Clarke: Since a single case of Legionnaire's disease was confirmed on 20 June at St. Helier hospital detailed investigations have been undertaken by the district medical officer, the consultant hospital microbiologist, who is also the hospital infection officer, and other professional and technical staff of the Merton and Sutton health authority. They have received expert help and advice from the communicable disease surveillance centre, Colindale, which is able to draw on recent experience gained in connection with the outbreak in Staffordshire.

Water samples and specimens from other patients who have been admitted to the renal unit at St. Helier during the past 2-3 months have been sent to public health laboratories at Oxford and Epsom and samples are continuing to be taken for analysis. So far all the results are negative but final results from the initial samples are due this week.

West Midlands

Mrs. Renée Short asked the Secretary of State for Social Services if he will list the number of disabled citizens who have claimed supplementary benefit in the west midlands region in each single year since 1979 and the number of home help service personnel who have been employed in that region in each single year during the same period.

Mr. Newton [*pursuant to his reply*, 21 June 1985, c. *257*]: The figures which we collect show the total number of people claiming supplementary benefit who are unable to work through incapacity; no distinction is made between those who are sick and those who are disabled.

The numbers of sick and disabled people claiming supplementary benefit in the West Midlands region in May 1979 and in each succeeding year were:

	Number
1979	12,073
1980	11,814
1981	12,923
1982	14,511
1983	*13,627
1984	15,337
1985	18,304

* Because of industrial action in the Department at that time this figure is not wholly reliable.

The number of home help service staff employed by social services departments in the West Midlands region on 30 September 1983 was 5,586·3 (whole-time equivalents). Information for previous years is given in the Department's annual publication entitled "Staff of Local Authority Social Services Departments in England"—copies of which are in the Library.

Drug Abuse (East Berkshire)

Mr. Tony Banks asked the Secretary of State for Social Services how many patients have been admitted to hospitals in the East Berkshire health authority area, suffering from drug abuse or drug related problems for those people aged *(a)* under 25 years, *(b)* 25 to 45 years and *(c)* over 45 years in each of the last five years.

Mr. John Patten [*pursuant to his reply*, 24 June 1985, c. *337*]: The available information is given in the table. Corresponding information for non-psychiatric hospitals and units is not centrally available.

Admissions to mental illness hospitals and units managed by East Berkshire district health authority† with main diagnosis of drug psychosis, drug dependence or non-dependent abuse of drugs.*

	Aged under 25	Aged 25-44	Aged 45 and over
1979	2	2	—
1980	5	—	2
1981	1	—	—
1982	1	—	—
1983	—	1	—

* Some patients have more than one admission in a year and are represented more than once in the figures.
† East Berkshire Health District 1979-81.

Drug Addicts

Mr. Sackville asked the Secretary of State for Social Services (1) how many people in each of the last five years have been notified to the chief medical officer as addicted to cocaine; and what percentage of total notifications these figures represent;

(2) how many persons notified to the chief medical officer over the last five years specified cocaine as their principal drug addiction.

Mr. Mellor: I have been asked to reply.

The available information for the years 1980 to 1983 is given in the following table; corresponding figures for 1984 are not yet available. In cases where the person is reported as addicted to more than one drug, the notifications do not indicate the principal drug of addiction.

Drug addicts notified to the Home Office during the years 1980 to 1983 as addicted to cocaine.
United Kingdom

	1980	1981	1982	1983
New addicts				
Number reported as addicted to:				
Cocaine alone	11	23	35	42
Cocaine in combination with other drugs	136	151	179	303
Total	147	174	214	345
Number as a percentage of all new addicts notified				
Cocaine alone	0·7	1·0	1·3	1·0
Cocaine in combination with other drugs	8·5	6·7	6·4	7·2
Total	9·2	7·7	7·7	8·2
Former addicts				
Number reported as addicted to:				
Cocaine alone	2	3	2	5
Cocaine in combination with other drugs	38	65	69	129
Total	40	68	71	134
Number as a percentage of all former addicts notified				
Cocaine alone	0·2	0·3	0·2	0·3
Cocaine in combination with other drugs	4·5	6·1	5·2	7·7
Total	4·8	6·4	5·4	8·0
All addicts				
Number reported as addicted to:				
Cocaine alone	13	26	37	47
Cocaine in combination with other drugs	174	216	248	432
Total	187	242	285	479
Number as a percentage of all addicts notified				
Cocaine alone	0·5	0·8	0·9	0·8
Cocaine in combination with other drugs	7·1	6·5	6·0	7·4
Total	7·7	7·3	6·9	8·2

TRANSPORT

Merchant Ships (Defence Use)

9. **Mr. Stott** asked the Secretary of State for Transport if he will publish the report commissioned by his Department on the availability of British merchant ships for defence use.

Mr. Ridley: A copy of the SEA group report, with any necessary excisions on grounds of confidentiality, will be placed in the Library shortly.

Football Supporters (Travel)

12. **Mr. Snape** asked the Secretary of State for Transport if he has met, or has any plans to meet, the Football League and Football Association's representatives to discuss the travelling arrangements for football fans in the light of British Rail's decision not to operate special trains for football fans in future.

Mr. Ridley: I understand that BR has not decided to stop running special trains for football fans. It has decided, as a general rule to withdraw low fares specifically for football fans on sponsored trains. Organized groups will still get a discount on other trains. BR will also encourage clubs to charter more trains. I met the football authorities with the Prime Minister on 12 June.

Coaches (Roll Bars)

14. **Mr. Yeo** asked the Secretary of State for Transport if he will introduce legislation requiring passenger-carrying coaches to be fitted with roll bars to protect occupants in the event of accident.

Mrs. Chalker: I am very pleased to say that, following an initiative by my Department, an international standard on coach roof strength was agreed in June by the United Nations expert group on vehicle construction. This will require roll-over bars or other measures to strenghthen the coach framework. We shall be introducing regulations as soon as we can to apply the standard to all new coaches registered in Britain.

Motor Cycles (Noise)

15. **Mr. Key** asked the Secretary of State for Transport what action he proposes to take to improve the standards and enforcement of regulations covering noise generated by motor cycles and trial bikes; and if he will make a statement.

Mrs. Chalker: We are pressing in the Community for stricter standards of permitted noise from new motor cycles. The Construction and Use Regulations were amended last year to require replacement silencers in motor cycles first registered from the beginning of 1985 to meet a new British standard. The regulations have always prohibited motor cycles on public roads from making an excessive noise or having an inadequate silencer.

Oxford Circus (Fire)

16. **Mrs. Dunwoody** asked the Secretary of State for Transport how many representations he has received concerning the implications of the fire at Oxford Circus on 23 November 1984.

Mr. Ridley: The only representations I have received are eight questions from the hon. Lady and five questions from the hon. Member for Newham, North-West (Mr. Banks).

Cheddar (Signposting)

17. **Mr. Heathcoat-Amory** asked the Secretary of State for Transport if he will put exit signs to Cheddar on the M5 motorway.

Mrs. Chalker: On 17 April last I announced a review of all direction signs, including signs to tourist destinations. We shall be looking at ways of providing better guidance to attractions such as Cheddar for the increasing numbers of tourists using the motorways. In the meantime I have asked my officials to discuss the possibility of signing Cheddar from the M5 with Avon and Somerset county councils.

British Rail (Recruitment Policy)

18. **Mr. Cohen** asked the Secretary of State for Transport if he has yet received a copy of the Equal Opportunities Commission's report on British Rail's recruitment and employment policies; and if he will make a statement.

Mr. David Mitchell: No. Nor would my right hon. Friend expect to see the confidential draft of a report requested by the British Railways Board and which has not yet been published.

Buses (Deregulation)

20. **Mr. David Marshall** asked the Secretary of State for Transport how many representations he has received concerning the effect of deregulation on the scope and extent of direct bus subsidies from local authorities.

Mr. David Mitchell: A large number, many of which have failed to take account of the beneficial impact competition will have on costs and on patronage.

Motor Cyclists (Safety)

21. **Mr. Higgins** asked the Secretary of State for Transport what steps he proposes to take to improve motor cyclists' safety standards.

Mr. Ridley: I am reviewing all aspects of motor cyclist safety in the light of the achievements of the measures introduced under the Transport Act 1981 and in the wider context of the inter-departmental review of road safety policy. It is too early to give detailed proposals.

Christmas Drink and Drive Campaign

22. **Mr. Peter Bruinvels** asked the Secretary of State for Transport whether he is now in a position to report on the 1984 Christmas drink and drive campaign; and what plans he has for Christmas 1985, with particular reference to the use of random testing.

Mrs. Chalker: The evaluation of the 1984 campaign has not yet been completed. I shall be considering our future plans in the light of this evaluation and all other relevant factors.

Trunk Roads (London)

23. **Mr. Cartwright** asked the Secretary of State for Transport what evidence he has of increased traffic congestion on trunk roads in the London area over the last five years; and what measures he is considering to reduce such congestion.

Mrs. Chalker: Congestion is self evidently worse during peak hours and in central London and town centre areas.

Data collected on the Departmental's roads in connection with specific schemes shows a continuing slow increase in congestion over the last five years, although the M25 has already had beneficial effects in certain areas.

Implementation of the schemes already in the London trunk road programme will deal with most of the remaining trouble spots.

Birmingham Airport

24. **Mr. John Mark Taylor** asked the Secretary of State for Transport what estimate he has made in the context of the White Paper on airports policy as to the projected passenger throughput in Birmingham airport by 1990; and if he will make a statement.

Mr. Michael Spicer: Regional airports are expected to grow at an average annual rate in excess of 4 per cent. to the end of the century. If Birmingham international achieves an average level of growth, if would be handling more than 2·1 million passengers a year by 1990. The Government are anxious to encourage the use of Birmingham and other regional airports, and stand ready to discuss with regional airport authorities the opportunities for developing new routes and their plans for development.

Tyne and Wear (Metro)

25. **Mr. Boyes** asked the Secretary of State for Transport when he next intends to meet the chairman of the Tyne and Wear passenger transport executive to discuss the future of the Metro; and if he will make a statement.

Mr. David Mitchell: I met a delegation from Tyne and Wear county council, which was accompanied by the director general and certain other officers of the PTE, to discuss the Tyne and Wear metro on 14 May. Discussions about the metro are continuing between my officials and

those of the passenger transport executive, and I will be ready to meet Tyne and Wear representatives again whenever it appears such a meeting would be useful.

Liner Conferences

36. **Mr. Chope** asked the Secretary of State for Transport what progress is being made towards the United Kingdom and other European countries becoming parties to the United Nations convention on a code of conduct for liner conferences.

Mr. Ridley: The United Kingdom has acceded to this convention on 28 June together with Denmark, Norway and Sweden. The Federal Republic of Germany and the Netherlands are already parties. The convention, together with the EC regulations known as the Brussels package, steers a course between competing claims of different countries. Those countries which wish to reserve a fixed proportion of conference cargoes may do so while those countries, like the United Kingdom, which wish to ensure that commercial principles continue to govern cargo sharing between their lines have retained that right.

It is important that British industry has access to regular shipping services at competitive rates and we have taken steps to ensure that the code's provisions are not misused to dampen competition. Our accession to the code is on the condition that we will only be bound by the convention while our trading partners allow non-conference lines to compete in trades serving the United Kingdom. The code also provides a welcome enhancement in the rights of shippers and their organisations in dealing with liner conferences.

Singapore Airlines (Manchester)

Mr. Ottaway asked the Secretary of State for Transport what representations he has received following his decision to allow Singapore Airlines to open new services to Manchester.

Mr. Michael Spicer: I have received a number of indications of approval of the decision to allow Singapore Airlines to operate services to Manchester, including one from the chairman of the Manchester International Airport Authority, who has expressed publicly his delight and appreciation of the decision.

Mr. Pike asked the Secretary of State for Transport why the agreement for direct flights between Manchester international airport and Singapore by Singapore Airlines does not take effect until 1 April 1986.

Mr. Michael Spicer: The agreement that the new service between Manchester and Singapore could start from April 1986 reflected the wishes of SIA.

33. **Mr. Cockeram** asked the Secretary of State for Transport what communication his Department has had with Singapore Airlines following the granting of permission to the airline to open new services from Manchester to Singapore in April 1986.

Mr. Michael Spicer: There has so far been no need for any further communications with Singapore Airlines in this matter.

34. **Mr. Conlan** asked the Secretary of State for Transport whether he is satisfied with the progress being made in achieving a commercial agreement between British Airways and Singapore Airlines upon which his permission for the new Singapore Airlines services to Manchester is contingent; and if he will make a statement.

Mr. Michael Spicer: Yes. The position was set out in the answer I gave to my hon. Friend the Member for Wyre (Sir W. Clegg), on 26 June at column *427*.

Road Accidents

Mr. Skinner asked the Secretary of State for Transport how many people died in road accidents in the United Kingdom and what information he has as to the comparable figures for *(a)* France, *(b)* Italy, *(c)* Holland and *(d)* West Germany in 1984.

Mrs. Chalker: The available information is given in the table:

	Road deaths	*Deaths per 100,000 motor vehicles*
Great Britain*	5,514	27·34
France†‖	12,728	52·72
Holland‡	1,710	29·77
Italy‡‖	8,245	32·12
West Germany	11,732	40·61

* 1984 figures (provisional).
† 1983 figures.
‡ 1982 figures.
‖ Figures adjusted to comply with GB definition.

Mr. Skinner asked the Secretary of State for Transport what percentage of total pedestrian casualties were between the ages of 10 and 16 years in 1983 and 1984.

Mrs. Chalker: The information requested is given in the table.

Ten to Sixteen year-old pedestrian casualties as a percentage of total pedestrian casualties: GB

	Fatal Per cent	*Serious Per cent*	*Slight Per cent*	*All Per cent*
1983	10	22	24	23
1984	9	22	25	24

Mr. Skinner asked the Secretary of State for Transport how many persons between the ages of one and 34 years were killed in road accidents in 1984; and what percentage of total fatalities the figure represents.

Mrs. Chalker: The information requested is given in the table:

	Road Deaths: GB: 1984
A: Aged 1-34	2,950
B: All	5,514

A as a percentage of B 54

Road Safety

Mr. Stephen Ross asked the Secretary of State for Transport when he expects to publish his response to the Transport Committee's report on road safety.

Mrs. Chalker: As soon as possible.

M25

Mr. Peter Bruinvels asked the Secretary of State for Transport if he will ensure that both sections of the M25 between Reigate and Wisley are opened simultaneously; and if he will make a statement.

Mrs. Chalker: The contract completion dates for the Wisley-Leatherhead and Leatherhead-Reigate sections are 5 and 26 August 1985, respectively. I shall decide when to open these sections after I have considered the views of the local authorities. I shall write to my hon. Friend in due course.

26. **Mr. Chapman** asked the Secretary of State for Transport if he will report progress on the construction of the M25 motorway between the A1 and A41, including reconstruction work of the M1 motorway in this area.

Mrs. Chalker: All four main contracts for this last section of the M25 are making good progress. In conjunction with the police, the contractors and the Hertfordshire county council, we are seeking to ensure that so far as possible work on those contracts does not add to congestion during the reconstruction of M1 junction 8 which begins tomorrow. I do not expect their completion to be affected as a result.

Sharelga

Mr. Hoyle asked the Secretary of State for Transport if his Department's records of fishing vessel losses at sea include any reference to the sinking of the Irish trawler Sharelga; and if he will make a statement.

Mr. David Mitchell: My Department only records losses of foreign registered fishing vessels at sea when it has inquired into the circumstances of the loss. Incidents on the high seas involving foreign registered fishing vessels and submarines do not fall within the responsibilities of my Department. No reference to the loss of the Irish trawler Sharelga therefore appears in our records.

M62

Mr. Wainwright asked the Secretary of State for Transport when he expects work to start on building a fourth lane on the M62; and how long he expects this work will take to complete.

Mrs. Chalker: In the recent report "National Roads England 1985" a crawler lane for M62 is listed in the programme for April 1989 onwards. At present it is too early to make a more precise forecast of when work can start or how long it will take to complete.

London Regional Transport

Mrs. Dunwoody asked the Secretary of State for Transport above what cost per project London Regional Transport is obliged to put contracts out for tender.

Mr. Ridley: There are no such cost limits. In the objectives I set LRT and published last July, I said that I would expect LRT to secure its investment

"at the best price through competition wherever possible".

But detailed decision about individual contracts are for LRT's Board and management to take.

Mrs. Dunwoody asked the Secretary of State for Transport whether the London fire brigade has floor plans for London Regional Transport stations as a matter of policy.

Mr. Ridley: This is a matter for the chairman of LRT, and I suggest that the hon. Lady makes inquiry of him.

Mrs. Dunwoody asked the Secretary of State for Transport if he will discuss with the chairman of London Regional Transport the introduction of a procedure for project management to ensure compliance with the existing licensing system for storage of materials on stations.

Mr. Ridley: I suggest that the Hon. Lady writes to the chairman of LRT herself.

Bypass (Leadenham)

Mr. Douglas Hogg asked the Secretary of State for Transport (1) what is the latest estimate of the cost of constructing a bypass around the north of the village of Leadenham;

(2) what is the latest estimate of the cost of constructing a relief road or roads through the village of Leadenham.

Mrs. Chalker: The latest estimated cost of constructing a bypass to the north of Leadenham is £3·0 million at 1984 prices. This should not be compared with earlier figures, as the draft plans have been reviewed in the light of the latest data and standards. The estimated cost of constructing a relief road through Leadenham is £2·9 million at 1984 prices.

Mr. Douglas Hogg asked the Secretary of State for Transport what information is available to his Department about road accidents on the A17 in the vicinity of Leadenham and casualties arising in each of the last 15 years; and if he will make a statement.

Mrs. Chalker: The information readily available is based on the Department's computer record which contains accident data on the A17, two miles either side of Leadenham for the last three years as follows:

	Number of accidents	*Number of casualties*
1981	8	14
1982	10	13
1983	7	15

I have already promised to let the hon. Member have further information about accidents when it has been received.

Seat Belts

27. **Mr. Waller** asked the Secretary of State for Transport when he expects to receive the report which he has commissioned from the London School of Economics about the statistical effects of the seat belt regulations.

Mrs. Chalker: Some time this summer, in time to be published alongside the Department's own report. I hope to publish both in the late summer.

Air Travel Reserve Fund

28. **Mr. Soames** asked the Secretary of State for Transport if he will make a statement on the level of funding of the air travel reserve fund.

Mr. Michael Spicer: The level of the fund currently stands at around £20 million.

Motorists (Property Damage Insurance)

29. **Mr. Gregory** asked the Secretary of State for Transport whether he intends to make it compulsory for motorists to take out insurance against third party damage to property.

Mr. Michael Spicer: I refer my hon. Friend to the reply given to my hon. Friend the Member for Erith and Crayford (Mr. Evennett) on 11 June at column *420*.

Snow Hill Tunnel

30. **Sir Bernard Braine** asked the Secretary of State for Transport whether he has now reached a decision on British Rail proposals for the Snow Hill tunnel.

Mr. David Mitchell: I have today written to the chairman of British Rail, giving approval for BR's plans to reinstate the Snow Hill link, and for the construction of new electric multiple units to operate services through the tunnel. The rolling stock cascade resulting from the introduction of these new vehicles will also benefit rail travellers on suburban services to both Liverpool Street and Euston. The scheme as a whole will cost £54 million.

Public Bus Services (Pension Schemes)

31. **Mr. Pike** asked the Secretary of State for Transport what recent representations he has received regarding the future of pension schemes for employees in the public bus sector.

Mr. David Mitchell: I would refer the hon. Member to the answer I gave to the hon. Member for Liverpool, Riverside (Mr. Parry) on 4 June at column *151*.

A1(M) Rotherham—Boroughbridge

32. **Mr. Holt** asked the Secretary of State for Transport what plans he has to improve traffic flow on the A1(M) north from Rotherham to Boroughbridge.

Mrs. Chalker: A flyover is being constructed at Barnsdale Bar in south Yorkshire to replace an existing ground level junction.

Proposals for improvement of the A1 north of Bramham Crossroads to Wetherby were considered at a public inquiry held in 1982 and 1983 and I expect to announce the decision during the next few months. A scheme is in preparation for widening the A1 from Wetherby to Dishforth.

The need for measures to improve traffic flow on other sections of the A1 is being kept under regular review.

Trunk Roads (Mobile Canteens)

35. **Mr. Patrick McNair-Wilson** asked the Secretary of State for Transport if he will publish details of the Government's policy with regard to the siting of mobile canteens without permission in lay-bys on trunk roads.

Mrs. Chalker: Our policy is to tolerate mobile canteens in safe locations on trunk roads because they provide a useful service to road users. Canteens are, however, not allowed if they cause a road safety hazard, create problems for traffic flows, interfere with the purpose for which the lay-bys are provided, or become an environmental nuisance.

International Airports

13. **Mr. Adley** asked the Secretary of State for Transport what information he has as to which European cities operate *(a)* three and *(b)* four international airports.

Mr. Michael Spicer: Paris has three airports, or four counting Beauvais. Milan has two airports, with a third, Bergamo, which is used occasionally for charter traffic. Since the throughput of other European airports is so much lower than ours, a better comparison would be with the United States, where Los Angeles and New York each has five airports.

Sub-post Offices (Vehicle Licences)

19. **Mr. Maclean** asked the Secretary of State for Transport if he will make a statement on the role of sub-post offices in issuing vehicle licences.

Mr. Michael Spicer: Sub-post offices form an essential part of the vehicle relicensing service, especially in rural areas. At present about a quarter of all licence renewals are carried out at over 1,500 sub-post offices throughout the country. Further improvements will be made to the service following the recent agreement I reached with the chairman of the Post Office under which an extra 500 sub-post offices, mainly in rural areas, will be added to the network over the next three years.

Northolt Airport

Mr. Greenway asked the Secretary of State for Transport how many civil aircraft flights have taken place to and from Northolt airport in each year since 1955; what are his future projections; and if he will make a statement.

Mr. Lee: I have been asked to reply.

Figures as far back as 1955 are not available except at disproportionate cost. The number of civil flights each year since 1965 is as follows:

	Number
1965	1,292
1966	1,216
1967	1,230
1968	1,006
1969	1,053
1970	1,454
1971	1,522
1972	1,649
1973	1,706
1974	2,689
1975	3,071
1976	3,248
1977	*1,924
1978	2,453
1979	2,677
1980	2,689
1981	3,660
1982	4,331
1983	3,140
1984	3,414

* the runway was shut for 4 months in this year

On present trends, the figure for 1985 will be about 3,800. Although we are attempting to facilitate the use of

Northolt by business aircraft as far as is consistent with defence requirements, we do not anticipate any major change in the volume of civil traffic.

NORTHERN IRELAND

Housing Executive (Contracts)

Mr. Beggs asked the Secretary of State for Northern Ireland how many Northern Ireland Housing Executive contracts were awarded after *(a)* open tendering and *(b)* select list procedure in each of the last three financial years.

Mr. Chris Patten: This is a matter for the chairman of the Housing Executive, who has advised me that no building contracts were let after open tendering. The numbers of contracts let to firms selected [illegible] tendering from the approved list of contractors were as follows:

	Number
1982-83	1,032
1983-84	1,025
1984-85	1,399

Local Enterprise Development Unit Offices (Upper Galwally)

Mr. Peter Robinson asked the Secretary of State for Northern Ireland how much was spent on office furniture for the Upper Galwally office of the Local Enterprise Development Unit; who were the manufacturers of this furniture; and what was the country of origin.

Dr. Boyson: The total value of the contract for the supply of office furniture was £30,000. The suppliers were as follows in descending order of contract size:

1. Hille Furniture—Manufactured in England
2. Scandia Furniture—Manufactured in Denmark*
3. Seid Seating—Manufactured in Denmark*
4. Tract Seating—Manufactured in England*
5. Casual Seating—Manufactured in Northern Ireland*

* Upholstery fabric provided from Northern Ireland.

Housing Benefit

Mr. Peter Robinson asked the Secretary of State for Northern Ireland how many people in Northern Ireland have been in receipt of housing benefit in each of the last two years.

Mr. Chris Patten: It is not possible to provide the information requested as the number of recipients is continuously changing. The total number of people in receipt of housing benefit in Northern Ireland on a given date in each of the last two years is as follows:

	Numbers (rounded)
March 1984	192,900
March 1985	189,600

Supplementary Benefit

Mr. Peter Robinson asked the Secretary of State for Northern Ireland how many people in Northern Ireland have been in receipt of supplementary benefit in each of the last five years.

Mr. Chris Patten: It is not possible to provide the information requested as the numbers of recipients are continuously changing. The total number of people in receipt of supplementary benefit in Northern Ireland on a given date in each of the last five years is as follows:

	Number
7 May 1985	182,133
8 May 1984	176,461
10 May 1983	169,434
11 May 1982	155,958
17 February 1981*	133,965

* Information in respect of 12 May 1981 is not available because of industrial action.

Scallop Fishing Industry

Mr. John David Taylor asked the Secretary of State for Northern Ireland if he will make a statement on his up-to-date assessment of the state of the scallop fishing industry in Northern Ireland; and if he is still satisfied that it is under no threat from fishing boats based outside Northern Ireland.

Dr. Boyson: A small number of Northern Ireland fishing vessels devote most of their fishing effort to scallops with additionally some smaller boats fishing on a seasonal and localised basis. Fishing on the scallop beds adjacent to the Northern Ireland coast has been monitored closely since the closure on 1 June of beds elsewhere in the north Irish Sea.

Mr. Peter Kelly

Mr. Michael McNair-Wilson asked the Secretary of State for Northern Ireland why Peter Kelly of Dungannon had to wait 12 years to receive financial compensation for brain damage caused by cardiac arrest during an appendicitis operation; how much compensation was paid to him; why liability was not admitted; on how many previous occasions since 1979 sums larger than £100,000 have been paid by health and social services boards following similar settlements without admission of liability; and if he will make a statement.

Mr. Chris Patten: The Southern health and social services board took no part in the settlement which was negotiated between the plaintiffs and the insurers of the doctors involved and I am unable to comment on the amount involved.

There have been no occasions since 1979 when sums in excess of £100,000 have been paid by health and social services boards following similar incidents without admissions of liability.

Schools (Newry and Armagh)

Mr. Nicholson asked the Secretary of State for Northern Ireland (1) what are the numbers of pupils attending each primary school in Newry and Armagh constituency;

(2) what has been the number of pupils attending each primary school in the Newry and Armagh constituency in each of the past five years;

(3) what are the numbers of pupils attending each secondary and grammar school in the Newry and Armagh constituency;

(4) what was the number of pupils attending each secondary and grammar school in the Newry and Armagh constituency in each of the last five years.

Mr. Scott: The information requested is as follows:

Schools	*1980*	*1981*	*1982*	*1983*	*1984*
Primary					
Annaghmore	89	93	89	88	86
College Lands	23	19	23	25	26
Tullyroan	33	41	43	46	38
Loughgall	49	51	51	52	43
St. Jarlath's	227	237	220	219	211
St. Oliver Plunkett, Loughgall	84	92	95	102	94
Tullymore	58	56	61	66	67
Kinnego	32	38	40	40	40
The Cope	108	106	106	101	98
Drumsallen	33	34	28	33	32
Salter's Grange	37	34	31	23	20
St. Colmcille's	65	53	50	40	36
Tullysarran	63	62	61	62	72
Hardy Memorial	342	347	374	370	352
Derryhale	80	76	76	81	77
Mullavilly	44	41	34	31	31
Cabra	39	38	40	44	43
St. Patrick's Armagh	435	431	405	419	408
St. James', Tandragee	105	95	92	90	91
Mount St. Catherine's	437	431	436	422	431
St. Malachy's Boys', Armagh	193	191	193	198	198
Killylea	94	88	93	83	76
Ahorey	56	58	60	52	49
Tandragee	345	350	349	352	365
Armstrong	605	578	535	491	480
Christian Bros', Armagh	425	443	431	444	449
Lislea	27	29	27	24	23
St. Joseph's Poyntzpass	77	76	80	78	78
Middletown	62	62	65	63	60
Clonslig	123	128	133	132	132
Drelincourt	38	35	36	35	39
Wastelands	29	30	29	29	26
St. Louis' Convent	51	44	48	42	41
St. Joseph's, Armagh	92	102	101	102	116
St. Michael's Clady	60	52	54	50	45
St. Mary's, Granemore	53	55	58	52	54
St. Mary's Boys', Keady	281	268	259	260	257
Glassdrummond	32	39	37	41	42
St. Clare's Convent, Keady	274	266	274	278	280
Ballynewry	32	39	33	33	40
Tynan	41	47	39	40	34
Clare	50	50	43	44	45
Mullabrack	30	29	30	30	31
St. James', Markethill	82	80	78	69	60
Collone	100	110	106	106	105
Aghavilly	42	42	42	47	61
Tullyherron	47	56	56	60	58
Lissummon	28	23	32	34	42
St. Mary's, Barr	73	72	74	80	82
St. Mochua', Derrynoose	51	64	69	73	78
St. Malachy's, Glenanne	75	69	65	62	70
Clay	28	30	30	41	33
Lisnadill	50	49	53	53	56
Poyntz Pass	106	93	78	79	80
Markethill	180	180	182	193	185
Foley	72	73	77	76	83
St. Joseph's, Bessbrook	341	356	360	361	320
St. Brigid's, Drumilly	67	69	77	77	88
St. Michael's, Newtownhamilton	102	111	102	106	103
St. Lawrence's	58	49	49	55	60
St. Peter's, Cloughreagh	316	324	302	296	290
St. Patrick's Newry	460	446	440	413	394
St. Malachy's, Camlough	259	259	259	265	242
St. Malachy's, Newry	—	—	—	73	158
Drumhillery	91	94	85	92	98
Keady	89	82	74	65	62
Cladymore	53	58	60	64	63
Mountnorris	140	131	134	125	116
St. Clare's Convent, Newry	905	874	837	826	766
St. Joseph's Convent, Newry	524	529	540	504	489
St. Colman's Abbey	1,001	994	975	936	897
Carrickovaddy	26	26	35	38	42
Cloghoge	393	365	352	351	321
St. Patrick's, Cullyhanna	221	218	224	230	234
St. Joseph's, Killeavy	150	162	170	172	174
Lisdrumcor	41	39	38	37	36
Darkley	87	87	83	71	72
Killean	92	93	88	83	87
Kingsmills	17	21	23	23	20
Mullaghglass	52	61	59	57	56
Anamar	41	34	32	30	35
St. Mary's Mullaghbawn	212	218	215	222	229
Dromintee	130	133	130	129	126
Jonesboro'	141	122	122	111	118
St. Patrick's Crossmaglen	377	356	355	355	358
Bessbrook	131	124	115	116	86
Newtownhamilton	147	144	139	123	128
Cartamlet	56	57	57	59	56
Newry Model	183	167	139	124	112
St. Oliver Plunkett, Forkhill	78	80	84	69	62
St. Brigid's Crossmaglen	67	69	69	61	64
Ballynaclosha	84	81	87	84	81
Windsor Hill	267	266	268	271	267
Secondary and Grammar					
Newtownhamilton	104	115	116	116	114
St. Catherine's College	832	831	862	885	921
St. Brigid's Boys', Armagh	307	308	301	296	307
St. Paul's, Bessbrook	1,148	1,178	1,225	1,241	1,233
Tandragee Junior High	331	306	312	299	333
Markethill Junior High	279	296	320	322	382
Armagh Secondary	575	564	610	632	679
St. Joseph's, Crossmaglen	495	502	509	546	556
St. Joseph's, Newry	536	569	564	557	563
St. Mary's Girls	678	676	688	722	705
St. Patrick's, Keady	709	714	747	745	783
Newry High	916	881	820	808	809
St. Patrick's College, Armagh	399	411	404	383	387
Christian Brothers', Armagh	400	415	413	405	400
St. Colman's College, Newry	709	709	688	700	707
Our Lady's Grammar, Newry	639	667	701	699	709
Sacred Heart Grammar, Newry	611	621	643	678	727
Abbey Grammar, Newry	672	669	674	690	713
Armagh Girls, High	262	273	291	290	269
Armagh Royal*	312	359	375	402	438

* The figures given are inclusive of the pupils enrolled in the preparatory department.

Mr. Nicholson asked the Secretary of State for Northern Ireland how many primary schools in the Newry and Armagh constituency have *(a)* one teacher, *(b)* two teachers, *(c)* three teachers and *(d)* four teachers and over; and if he will list them.

Mr. Scott: As at January 1984 the information requested is as follows:

Primary Schools with 1 teacher—2

Kingsmills
Collegelands

Primary Schools with 2 teachers—28

Tullyroan
Kinnego
Drumsallan
Salters Grange
Mullavilly
Cabra
Wastelands
Ballynewry
Tynon
Clare
Aghavilly
Llanadill
Liadrumchor
Loughgall
St. Colmcille's Armagh
Lislea
St. Louis Convent, Middletown
St. Michael's Clady

St. Mary's, Cranemore
Glassdrummond
Tullyheron
Lissumton
Clay
St. Laurence's, Belleeks
Carrickovaddy
Anamar
Dralincourt Infants
Mullabrack

Primary Schools with 3 teachers—21
The Cope
Derrvhale
Ahorsy
Poyntspass
Foley
Keady
Cladymore
Darkley
Mullaghglass
Cortamlet
Tullymore
Tullysarron
St. Joseph's, Poyntspass
Middletown
St. Mary's, Barr
St. Mochua's, Keady
St. Malachy's, Ballymoyar
St. Brigid's, Belleeks
St. Oliver Plunkett, Porkhill
St. Brigid's, Glassdrummond
Ballynaclosha 1

Primary Schools with 4 teachers and over—42
Annaghmare
Hardy Memorial
Killylea
Tandragee
Armstrong
Collone
Markethill
Drumhillery
Mountnorris
Bessbrook
Newtownhamilton
Newry Model
Windsor Hill
St. Jarlath's, Blackwatertown
St. Oliver Plunkett, Kilmore
St. Patrick's, Armagh
St. James', Tandragee
MountSt. Catharine's, Armagh
St. Malachy's Boys', Armagh
Christian Brothers, Armagh
St. Joeseph's Armagh
St. Mary's Boys', Keady
St. Clare's Convent, Keady
St. Joseph's, Bessbrook
St. Michael's, Newtownhamilton
St. Peter's, Bessbrook
St. Patrick's, Newry
St. Malachy's, Carnlough
St. Malachy's, Carnaght
St. Clare's Convent, Newry
St. Joseph's Convent, Newry
St. Colman's Abbey, Newry
Cloughoge
St. Patrick's, Cullyhanna
St. Joseph's, Killeavy
Killeen
St. Mary's, Mullaghbawn
Dromintee
Jonesboro'
St. Patrick's, Crossmaglen
St. James', Markethill
Clonalig

Mr. Nicholson asked the Secretary of State for Northern Ireland what is the pupil to teacher ratio in each secondary and grammar school in the Newry and Armagh constituency.

Mr. Scott: As at January 1984, the pupil-teacher ratios were as follows:

School	*Pupil-Teacher Ratio*
Newtownhamilton	14·2:1
Tandragee Junior High	16·6:1
Markethill High	17·4:1
Armagh Secondary	16·2:1
Newry High	15·6:1
St. Catherine's College, Armagh	15·6:1
St. Brigid's Boys' High, Armagh	15·4:1
St. Paul's High, Bessbrook	16·0:1
St. Joseph's High, Crossmaglen	15·4:1
St. Joseph's Boys' High, Newry	15·2:1
St. Mary's Girls' Newry	15·3:1
St. Patrick's High, Keady	16·0:1
Armagh Girls' High	14·2:1
Royal School, Armagh	*16·8:1
St. Patrick's College, Armagh	15·5:1
Christian Brothers' Grammar, Armagh	16·0:1
St. Colman's College, Newry	17·7:1
Our Lady's Grammar, Newry	16·9:1
Sacred Heart Grammar, Newry	17·7:1
Abbey Grammar, Newry	17·0:1

* The figure given is inclusive of the preparatory department, as this is the only school on the list which has a preparatory department.

Royal Ulster Constabulary

Mr. McNamara asked the Secretary of State Northern Ireland what was the cost of the Royal Ulster Constabulary in each calendar year 1983 and 1984 giving separately figures for *(a)* salary and benefits, *(b)* transport and communication, *(c)* new construction, *(d)* other costs, *(e)* total gross expenditure and *(f)* total net expenditure after deduction of receipts.

Mr. Scott [*pursuant to his reply*, 28 June 1985, c. *503*]: The information is available only in respect of financial years and is as follows:

	1 April 1983— 31 March 1984 £000	*1 April 1984— 31 March 1985 £000*
Salaries and benefits	204,879	226,328
Transport and communications	14,141	12,133
New construction	7,641	8,996
Other costs	24,811	26,758
Total gross expenditure	251,473	274,216
Total net expenditure after reduction of receipts	236,027	257,506

Written Answers to Questions

Tuesday 2 July 1985

HOUSE OF COMMONS

Staff Grading Review

Mr. Greenway asked the hon. Member for Berwick-upon-Tweed, as representing the House of Commons Commission, when the review of the grades of House staff began; when it will end; and if he will make a statement.

Mr. Beith: A review by the Commission's staff inspector of the grading and pay structure of staff in the House Departments was begun in December 1982. Fourteen reports, covering various aspects of the organisation and staffing structure of the Departments, have so far been presented to the Commission and released to management, unions and staff for their comments. The Commission has asked the staff inspector to present his recommendations on the grading and pay linkages of all levels of staff by the end of June.

ENERGY

Renewable Energy Sources

Mr. Speller asked the Secretary of State for Energy if he has received the recommendations of his Advisory Council on Research and Development on his programme for the development of renewable energy sources; what will be spent on the programme during 1985-86; and if he will make a statement.

Mr. David Hunt: My right hon. Friend the Secretary of State for Energy and I have recently received the recommendations from the chairman of ACORD arising from its review, and we have accepted both the specific objectives of the programme and its future content.

I have placed the recommendations in the Libraries of the House, together with supporting documents, as I undertook to do in reply to the question from my hon. Friend the Member for Devon, North (Mr. Speller) on 8 May, at column 424.

The major programmes on wind power and geothermal hot dry rocks will continue. They will be further reviewed when experience is available from the wind-powered generators under construction on Orkney and at Carmarthen bay, and when the present phase of the geothermal experiment at Rosemanowes in Cornwall is complete.

I agree that our present programme of research and development into passive solar design of buildings is important and justified. I have been glad to note ACORD's recognition of its economic attractiveness, and the need to involve the private sector in its application.

The biofuels programme will continue, and this reflects especially the economic potential of waste as a fuel. Support for small-scale hydro-power technology will also continue.

Studies into the private financing of the Severn tidal power scheme continue, and I await their outcome. I have accepted ACORD's advice to discontinue work on wave power and geothermal aquifers in order to concentrate resources into more promising technologies. However, on wave power in particular, I recognise that it will be important for the Department to be receptive to new ideas which might succeed in achieving the major cost reductions necessary to make it a worthwhile source of power. Technical reports on active solar heating (on which work was discontinued following the 1982 review) and on wave power are being placed in the Libraries of the House.

A detailed technical report on the work on geothermal aquifers will also be prepared by the energy technology support unit and published. With regard to geothermal aquifers, I have decided after careful consideration not to proceed with the geothermal heating scheme at Southampton because the limited potential of this resource in the United Kingdom, which has now been demonstrated, does not now justify such a project.

The estimated expenditure by my Department on renewable energy research and development in 1985-86 is £14 million.

Energy Ministers Council

Mr. Rost asked the Secretary of State for Energy whether he will make a statement about the meeting of the European Communities Council of Energy Ministers on 20 June.

Mr. Peter Walker: My hon. Friend the Member for Eddisbury (Mr. Goodlad) and I represented the United Kingdom at the Energy Ministers Council on 20 June.

British industry will be able to benefit from a share in European Community aid worth some £300 million to be allocated to developing new ways of producing energy and using energy more efficiently, and to developing improved oil technology.

The Council agreed to provide £216 million to extend the Community's energy demonstration projects scheme for four more years from the end of this year when the scheme was due to expire. In the past British firms have gained around £55 million from the scheme, and I expect them to bid strongly in the coming years.

The Council also agreed to provide £84 million over four years for projects to develop new technology in the hydrocarbons sector. This will be available after the current round of bids ends this year. British firms have received £57 million under the present scheme since it began in 1973, and the expected technological advances on the UKCS in the coming years should boost our prospects for additional Community aid.

Ministers held another discussion on the growth in trade of refined oil products. We agreed that additional supplies from the middle east and north Africa could be absorbed into world markets, provided that their impact was not concentrated on particular regions. The aim should be to maintain or create conditions where the additional imports would fall equitably in all markets.

Commissioner Mosar said that he hoped shortly to table a new Commission proposal to govern the payment of aids by member states to their coal industries. I emphasised that such a proposal would have to recognise the different industrial, employment and social conditions pertaining in each of the member states concerned, and leave to those member states the task of devising arrangements best suited to their own situations.

Whale and Turtle Products

Mr. Tony Banks asked the Secretary of State for Energy what whale or turtle products have been purchased by his Department during the past five years.

Mr. Peter Walker: This information is not readily available.

TRANSPORT

Buses

Mr. Robert B. Jones asked the Secretary of State for Transport when he will publish the Government's response to the report from the Transport Committee on the buses White Paper.

Mr. Ridley: The Government have today published their response to the second report from the House of Commons' Transport Committee.

I am grateful to the Transport Committee for its detailed consideration of the Government's bus policy. There is much common ground between us. We agree on the need for change to halt the decline in bus services. The Committee recognises that competition is the key to improving efficiency and halting that decline.

There can be no doubt that the Government must take action. Thirty years ago 42 per cent. of all journeys were by bus; today the figure is just 8 per cent. During the last 10 years there has been a 28 per cent. fall in ridership. Yet everyone agrees that bus services are vital, especially to elderly people, and the less well-off.

I do not believe that the Committee's proposed solution —comprehensive competitive franchising—is the right one. That system would continue to restrict the introduction of new services; it would not maintain pressure on the industry's rising costs; it would perpetuate the practice of overcharging passengers on more popular services which is one of the principal causes of the industry's decline.

The bus industry needs to be opened up to full competition so that operators can serve their passengers. That will provide the stimulus for efficiency which other industries regard as normal, and the impetus for better services which the passengers have a right to expect. The form of competition proposed in the Transport Bill is the best way of achieving that. We are proposing to give passengers the full benefits of competition while retaining controls over safety, and providing for social need through concessionary fares and local authority revenue support. This is the best solution for the industry and for passengers.

Channel Fixed Link

Mr. Chapman asked the Secretary of State for Transport what arrangements are being made for the assessment of proposals from promoters of a Channel fixed link when these are received at the end of October.

Mr. Ridley: The assessment of proposals for a Channel fixed link will be carried out jointly by the British and French Governments. To assist the British Government with this task I intend to appoint consultants in the following fields:

a. engineering: to report upon all engineering aspects of the proposed structures, other than inland works infrastructure, including feasibility and safety of construction; design and construction standards, operational and equipment standards, quality assurance and inspection arrangements; security maintenance requirements, and design life; cost and time estimates and provision for contingencies; adequacy of risk analysis with regard to fire, explosions, shipping collisions and so on and provision for emergencies; traffic capacity, management and surveillance. In view of the diversity of the possible proposals, I shall be willing to consider appointing seperate consultants for each of the main types of structure (bridges, bored tunnels and immersed tubes): and also separate consultants for tunnel operations equipment.

b. overall programme and capital cost analysis: including appraisal of project capital costs and timing and effectiveness of the proposed project management arrangements in ensuring that the construction project can be finished on cost and schedule;

c. hydrology: to appraise the promoters' assessment of the effects upon the sea-bed;

d. environmental impact: to appraise the promoters' environmental impact assessments;

e. co-ordination: to advise the Government on the overall co-ordination of the assessment.

Separate arrangements are being made for the appointment of a merchant bank as financial advisers to the Government during the assessment.

Detailed advice to applicants is being made available by my Department today.

Cycling

Mr. Skinner asked the Secretary of State for Transport what percentage of his Department's total capital budget for 1984-85 was used for expenditure on cycling matters.

Mrs. Chalker: Some 70 per cent. of central Government transport expenditure of £1·14 billion (excluding subsidies to transport industries) by my Department in 1984-85 was capital expenditure. During this period £187,129 was allocated to innovative cycle schemes and to schemes in the cycle route programme. Figures are not available (1) for staff or administrative costs devoted to cycling at HQ or the Transport and Road Research Laboratory; (2) for the totality of cycling expenditure accepted for transport supplementary grant; or (3) for cycle elements of trunk road improvement schemes.

Vehicle Testing

Mr. Pawsey asked the Secretary of State for Transport what representations he has received from smaller garages about the effect on their viability of the introduction of the new vehicle testing regulations; and if he will make a statement.

Mrs. Chalker: I have received letters from garages of all sizes worried about the new conditions of appointment. When they come to examine them closely, most garages will find that meeting the new conditions will not be as difficult nor as expensive as they fear.

Mr. Pawsey asked the Secretary of State for Transport if there are any plans to increase the charge made for a Ministry of Transport test.

Mrs. Chalker: The fees were last increased on 1 July 1985 and I shall not be reviewing them again till next year.

Mr. Pawsey asked the Secretary of State for Transport if he will publish in the *Official Report* full details of the new regulations for Ministry of Transport testing.

Mrs. Chalker: As the new conditions of appointment are lengthy and complex, I have placed copies in the Library of the House, instead.

Mr. Pawsey asked the Secretary of State for Transport if he will extend to eight years the period within which Ministry of Transport examiners must comply with the new regulations.

Mrs. Chalker: No. I believe that the five years allowed give a reasonable period for examiners to make any necessary alterations.

Mr. Pawsey asked the Secretary of State for Transport what representations he has received from *(a)* the motoring organisations and *(b)* chief constables about the effect on safety of the old Ministry of Transport regulations.

Mr. Chalker: The Automobile Association made representations about the content of the test. Nothing was received about the old conditions of appointment from either the motoring organisations or chief constables.

Local Government Reform

Mr. Snape asked the Secretary of State for Transport with whom responsibility for funding rail services subject to section 20 agreements will rest within the area of a district council which has seceded from the proposed public transport joint boards to be established in the event of abolition of the metropolitan county councils; and if he will make a statement.

Mr. David Mitchell: This would depend on the arrangements made for any secession. I would normally expect a district council which took on responsibility for bus services to remain part of the joint board in respect of local rail services. But individual circumstances might argue for different treatment.

A17 (Leadenham)

Mr. Douglas Hogg asked the Secretary of State for Transport what is his Department's most recent estimate of the number of vehicles in any 24-hour period passing through Leadenham along the A17 road.

Mrs. Chalker: I shall answer this question shortly.

SCOTLAND

Skiing Areas

Mr. Chris Smith asked the Secretary of State for Scotland what criteria were used by the Countryside Commission for Scotland in selecting consultants to carry out an environmental study of existing skiing areas; what firm has been selected; and for what reasons.

Mr. Ancram: The placing of contracts with consultants, under the powers given to commission research in the Countryside (Scotland) Act 1967, is a matter for decision by the Countryside Commission for Scotland without reference to me. I am therefore asking the chairman of the commission to write to the hon. Member with the information as soon as possible.

World Heritage

Mr. Chris Smith asked the Secretary of State for Scotland what progress is being made with the designation of world heritage sites in Scotland, under the terms of the world heritage convention; and which sites are under consideration.

Mr. Ancram: My right hon. Friend is considering a number of sites in Scotland to be put forward this year to the World Heritage Committee. An announcement will be made in due course.

Skiing

Mr. Chris Smith asked the Secretary of State for Scotland when he expects to respond to the report of the Scottish Affairs Committee on the Highlands and Islands Development Board, with particular reference to its conclusions on the future of skiing in the Cairngorms.

Mr. John MacKay: My right hon. Friend's response to the Committee on Scottish Affairs was published on 18 June. Paragraph 27 deals with skiing development on Cairngorm.

Acid Rain

Mr. Kilroy-Silk asked the Secretary of State for Scotland if any of the sites at which trees were examined for signs of acid rain damage in 1984 showed damage.

Mr. John MacKay: A proportion of the plantations surveyed in 1984 for the purpose of detecting air pollution damage revealed some degree of crown thinning: in no case, however, did such thinning appear to be due to air pollution and none of the stands showed symptoms of the type of damage ascribed to this cause in Germany. A copy of the Forestry Commission's press release reporting the results of the survey was placed in the Library of the House on 5 March 1985. A full report of the survey will be published shortly by the Forestry Commission.

TRADE AND INDUSTRY

South Africa

Sir Anthony Grant asked the Secretary of State for Trade and Industry what is the current value of United Kingdom investments in South Africa; and if he will compare this with the equivalent figures in real terms in 1979.

Mr. Fletcher: Information is available only in respect of the book value of United Kingdom direct investment in South Africa at end 1981, which was £2,826 million.

Sir Anthony Grant asked the Secretary of State for Trade and Industry what was the value in real terms and in volume terms of United Kingdom exports to and imports from South Africa in each of the last 10 years; and what were the principal categories in each case.

Mr. Fletcher: Volume data for individual countries are not available. Information relating to value is as follows:

Table 1:

Value £ million

	1975	*1976*	*1977*	*1978*	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*
United Kingdom exports (fob)	670	632	565	659	716	998	1,220	1,191	1,111	1,205
United Kingdom imports (cif)	633	714	1,015	911	649	756	649	746	765	726

Table 2:
Position in Order of Four Principal Commodities Exported to South Africa in Period

	1977	*1978*	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*
Road vehicles	1	1	1	1	1	1	1	1
Machinery specialized for particular industries	3	4	3	2	2	2	2	4
General industrial machinery and equipment	2	2	2	3	3	4	3	3
Power generating machinery	—	3	—	4	4	3	—	—
Office machines and data processing equipment	—	—	—	—	—	—	4	2
Miscellaneous electrical machinery and appliances	4	—	4	—	—	—	—	—

Table 3:
Position in Order of Four Principal Commodities Imported from South Africa in Period

	1977	*1978*	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*
Metalliferous ores and metal scrap	2	2	1	1	1	1	1	1
Fruit and vegetables	3	3	2	2	2	2	2	2
Miscellaneous non-metallic mineral manufactures	1	1	—	3	—	—	4	—
Non-ferrous metals	4	4	3	4	—	3	3	—
Textile fibres	—	—	—	—	3	—	—	3
Pulp and waste paper	—	—	—	—	4	4	—	4
Iron and steel	—	—	4	—	—	—	—	—

Source: Data corresponding to Tables II (imports) and V (exports) in the United Kingdom Overseas Trade Statistics.
Notes: (i) 1984 figures are provisional.
(ii) all figures are on the current Standard International Trade Classification (Revision 2) basis.

Sale of Goods (Pricing)

Mr. Ottaway asked the Secretary of State for Trade and Industry if it remains the Government's intention to introduce legislation in the next Session to make provision for a general duty not to apply misleading descriptions as to price in connection with the sale of goods.

Mr. Fletcher: The Government intend to introduce legislation as soon as parliamentary time is available.

Glanford and Scunthorpe

Mr. Hickmet asked the Secretary of State for Trade and Industry what assistance his Department has rendered to Glanford and Scunthorpe since June 1983 in the form of grants from budgets within his reponsibility or obtained through the European Community, describing the nature of the grant in each case, the sums of money involved, the number of companies assisted in each case and the number of jobs created thereby.

Mr. Trippier: The information is not fully available in the form required. The figures quoted are for the Scunthorpe employment office area for the period 1 June 1983 to 31 March 1985:

	Payment of Regional Development Grants over £25,000	*Offers of Selective Assistance under Sections 7 and 8 of the Industrial Development Act 1982*
Number of offers	—	23
Value (£'000)	9,483	3,285
Estimated Jobs:		
Safeguarded	N/A	*12
New	N/A	*871

* Section 7 Assistance only.

Details of assistance from the European regional development fund can only be given on a regional basis at present. No offers have been made under the support for innovation scheme during the period quoted.

Mr. Hickmet asked the Secretary of State for Trade and Industry how many factory units, giving the floor space in each case, English Industrial Estates have constructed in Glanford and Scunthorpe since 1981; what is the total cost of construction; and how many have been occupied, by how many companies and how many jobs created.

Mr. Trippier: I shall reply to my hon. Friend as soon as possible.

Whale and Turtle Products

Mr. Tony Banks asked the Secretary of State for Trade and Industry what whale or turtle products have been purchased by his Department during the past five years.

Mr. Butcher: I shall reply to the hon. Member as soon as possible.

Commercial Counterfeiting

Mr. Ron Brown asked the Secretary of State for Trade and Industry what recent representations he has received regarding commercial counterfeiting, especially concerning Scotch whisky; and if he will make a statement.

Mr. Butcher: Representations are received from time to time about the counterfeiting of various products. So far as Scotch whisky is concerned, representations have been received in relation to the labelling and description of

whisky on sale in Japan and Korea. The representations are being pursued both bilaterally and through the EEC Commission.

Mechanical Engineering Products

Mr. Hoyle asked the Secretary of State for Trade and Industry (1) what was the average value per tonne of total United Kingdom imports of mechanical engineering products; and what information he has as to how this figure compares with the average value per tonne of total imports of mechanical engineering products into France, West Germany, Italy and Sweden in the years 1960, 1965, 1970, 1975, 1980 and 1983;

(2) what was the average value per tonne of total United Kingdom exports of mechanical engineering products; and what information he has as to how this figure compares with the average value per tonne of total exports of mechanical engineering products from France, West Germany, Italy and Sweden in the years 1960, 1965, 1970, 1975, 1980 and 1983.

Mr. Fletcher [*pursuant to his reply*, 1 July 1985, c. *3*]: Data for 1960 are not readily available. The figures for the other years are in the table.

Mechanical Engineering Products
Average value per tonne traded (US $)

	1965	*1970*	*1975*	*1980*	*1983*
Imports					
United Kingdom	2,630	2,740	4,250	7,330	5,870
France	1,820	2,290	4,070	6,260	5,400
Federal Republic of Germany	1,750	1,980	3,660	5,560	4,730
Italy	1,810	2,250	4,560	6,810	6,030
Sweden	1,900	2,310	4,310	6,890	5,830
Exports					
United Kingdom	1,620	2,320	3,450	6,590	5,550
France	1,640	1,860	4,270	6,030	5,070
Federal Republic of Germany	2,260	2,840	5,730	8,970	7,740
Italy	1,890	2,240	4,140	5,920	5,420
Sweden	1,650	2,130	4,780	7,130	5,610

Source: OECD.

Computer Software

Mr. Michael Marshall asked the Secretary of State for Trade and Industry what is his current assessment of the share which the domestic software industry has of the national market in the United Kingdom; and what equivalent information he has about the share of the national markets taken by the respective domestic markets in France, Italy and Germany.

Mr. Butcher [*pursuant to his reply*, 1 July 1985, c. *5*.]: No figures are available for imports and it is not possible to estimate with any accuracy the share of the United Kingdom market held by the United Kingdom domestic software industry. Nor are share figures available for other European markets. The United Kingdom computer services industry produced revenues of £2·12 billion in 1984.

PRIME MINISTER

Rural Communities (Government Policy)

Q128. **Mr. Wigley** asked the Prime Minister what plans she has to consider future representations from Wales on the impact of Government policies on rural communities.

The Prime Minister: My right hon. Friend the Secretary of State for Wales has well-defined responsibilities for rural communities in Wales and for the handling of representations about relevant Government policy.

Brecon

Q133. **Mr. Ashton** asked the Prime Minister if she will pay an official visit to Brecon.

The Prime Minister: I have at present no plans to do so.

Engagements

Mr. Peter Bruinvels asked the Prime Minister if she will list her official engagements for Tuesday 2 July.

Mr. Wallace asked the Prime Minister if she will list her official engagements for Tuesday 2 July.

Mr. Pike asked the Prime Minister if she will list her official engagements for Tuesday 2 July.

Mr. Leigh asked the Prime Minister if she will list her official engagements for Tuesday 2 July.

Mr. Parry asked the Prime Minister if she will list her official engagements for Tuesday 2 July.

The Prime Minister: This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today. This evening I shall be attending a dinner given by the United States ambassador to mark the 200th anniversary of diplomatic relations between our two countries.

HOME DEPARTMENT

Crown Courts (Appeals)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department how many appeals to the Crown court against custodial sentences imposed on juveniles there were in the most recent convenient year; and what proportion of these resulted in a reduced sentence.

Mr. Mellor: The information on appeals to the Crown court against sentences of detention centre or youth custody is published annually in "Criminal Statistics, England and Wales, Supplementary Tables", (vol. 4, table S4.8c-f of the issue for 1983): Information on appeals against other custodial sentences imposed on juveniles could be provided only at disproportionate cost.

Drug Addicts

Mr. Lawler asked the Secretary of State for the Home Department how many known heroin addicts there were in the Bradford area in 1984.

Mr. Mellor: The information requested is not yet available. The currently available information on notifications of narcotic drug addicts in 1984 was given in the reply to a question from my hon. Friend for Westminster, North (Mr. Wheeler) on 11 June 1985, at columns *394-95*.

Shotguns

Mr. Ron Davies asked the Secretary of State for the Home Department what recent representations he has received advocating stricter controls on shotguns and proposing that they should be numbered; and if he will make a statement.

Mr. Giles Shaw: We have received representations from various sources, including hon. Members, local authority associations, local authorities and police authorities and members of the public. Only a few of these specifically refer to numbering, but many suggest that section 1 of the Firearms Act 1968 should be extended so as to cover long-barrelled shotguns, which would in effect necessitate the introduction of a numbering system. My right hon. and learned Friend continues to keep the law on shotguns under close review, but we have no plans at present to introduce a numbering requirement.

Miners' Strike (Policing Costs)

Mrs. Currie asked the Secretary of State for the Home Department what information he has as to additional costs incurred in Derbyshire by the policing of the miners' strike; to what other police authorities money is owed; by what mechanism these funds may be paid; and if he will make a statement.

Mr. Brittan: I understand that up to 31 March the Derbyshire police authority had incurred estimated additional expenditure of some £9·85 million resulting from the policing of the dispute in its area by the Derbyshire constabulary. I do not have information on the total sum which the authority owes to the 31 police authorities whose forces assisted the Derbyshire constabulary. Thirteen of those authorities have asked me to determine in accordance with section 14(4) of the Police Act 1964, the contribution to be paid to them by the Derbyshire police authority. The authority has already been notified of the determination of £428,661.37 made in relation to certain additional costs incurred by Cambridgeshire police authority. Other determinations will follow shortly.

The Derbyshire police authority is responsible for paying those authorities whose forces supplied mutual aid. The Government have, however, made available a special payment of 40 per cent., in addition to normal police grant, of approved additional expenditure, including the cost of mutual aid, incurred as a result of the dispute. Advances of grant are made when requested. No authority will be required to find from its own resources more than the product of three-quarters of a penny rate. Derbyshire has already passed this threshold.

AGRICULTURE, FISHERIES AND FOOD

Pig Disease Eradication Fund Ltd.

Mr. Geraint Howells asked the Minister of Agriculture, Fisheries and Food if he intends to give extra financial aid to the Pig Disease Eradication Fund Ltd. to meet the costs of the Aujeszky's disease eradication scheme; and if he will make a statement.

Mrs. Fenner: We had full discussions with representatives of PDEF on 17 June about their request for Government assistance towards the cost of the Aujeszky's disease control and eradication scheme. My right hon. Friend confirmed, as he had done already to the House of Commons Agriculture Committee, that the scheme had been undertaken at the express wish of producers and on the firm understanding that they would bear the costs of compensation and associated costs. In these circumstances no extra Government money could be made available to PDEF.

WALES

Degree Courses

Mr. Terlezki asked the Secretary of State for Wales how many students of the Polytechnic of Wales received first-class honours, 2A, 2B or third in accountancy in 1975, 1980 and 1984.

Mr. John Stradling Thomas: The Polytechnic of Wales began offering an honours degree course in accountancy and finance in 1980. In 1984 the results were:

	Number
First Class	0
2(i)	3
2(ii)	4
Third	0

Mr. Terlezki asked the Secretary of State for Wales how many students of the Polytechnic of Wales received first-class honours, 2A, 2B or third in research and development in engineering in 1975, 1980 and 1984.

Mr. John Stradling Thomas: The Polytechnic of Wales does not offer degree courses which specialise in research and development in engineering. Its honours degree courses in chemical engineering, electrical engineering, civil engineering and mechanical engineering contain elements of research and development work. Results from these courses for the years in question were as follows:

	First Class	*2(i)*	*2(ii)*	*Third*
1975	7	14	9	3
1980	8	13	22	8
1984	8	28	34	10

Mr. Terlezki asked the Secretary of State for Wales which universities or colleges in Wales, other than the Polytechnic of Wales, offer courses in marketing, marketing and research, accountancy, and research and development in engineering.

Mr. John Stradling Thomas: The University College at Aberystwyth offers a BSc in agricultural and food marketing. No other university colleges or higher education colleges in Wales provide degree courses specifically in marketing or market research, or in research and development in engineering. There are degree courses offered at the University Colleges at Cardiff and Swansea and at UWIST which include an element of marketing and market research; and engineering degree courses which include some research and development work are offered at the University Colleges at Bangor, Cardiff, Swansea, at UWIST and at the Gwent college of higher education. Degree courses in accountancy are offered at the University Colleges at Aberystwyth, Bangor and Cardiff and at UWIST.

Housing Renewal

Mr. Anderson asked the Secretary of State for Wales to what extent his Department will participate in the work of the urban housing renewal unit launched by the Government on 19 June.

Mr. Wyn Roberts: The Department is actively pursuing the objectives and initiatives which are to be promoted by the urban housing renewal unit. Our officials will be in close touch with the work of the unit and will draw on its expertise in tackling local authority housing problems in Wales.

Higher Education

Mr. Geraint Howells asked the Secretary of State for Wales if he has any plans to receive a delegation from the Association of Polytechnic Teachers in Wales to discuss the funding of local authority higher education in Wales; and if he will make a statement.

Mr. John Stradling Thomas: I have no plans to receive a delegation from the Association of Polytechnic Teachers in Wales. However, officials of the Department met representatives of the association on 13 June to discuss this subject and the future of the Wales Advisory Body for Local Authority Higher Education. I have seen a note of that meeting.

ENVIRONMENT

Asbestos (Faslane)

46. **Mr. Kirkwood** asked the Secretary of State for the Environment what arrangements he has made for removing asbestos from the construction site at Faslane.

Sir George Young: Subject to consultations with the Health and Safety Executive and Dumbarton district council, it is planned to decontaminate the site without removing the asbestos from it.

Defective Housing

Mr. Cartwright asked the Secretary of State for the Environment (1) what is the average length of time he estimates home owners who qualify for assistance under the Housing Defects Act have to wait before they are offered reinstatement or repurchase under the terms of the Act;

(2) what is the maximum length of time he expects home owners who qualify for assistance under the Housing Defects Act should have to wait before they are offered reinstatement or repurchase under the terms of the Act.

Mr. Gow: The Act requires that an applicant should be notified as soon as is reasonably practicable whether he is eligible for assistance and then, separately, as to the form of assistance to which he is entitled. How long this takes will depend on the circumstances of each case and cannot be prescribed; but an authority must not delay unreasonably in reaching decisions. Information about the average length of time being taken is not available at present.

Mr. Cartwright asked the Secretary of State for the Environment (1) how many home owners who qualify for assistance under the Housing Defects Act have applied for and been awarded a grant for reinstatement under the terms of the Act;

(2) how many home owners who qualify for assistance under the Housing Defects Act have applied for and been offered repurchase under the terms of the Act.

Mr. Gow: I regret that this information is not available at present.

Mr. Cartwright asked the Secretary of State for the Environment how many home owners are estimated to qualify for assistance under the terms of the Housing Defects Act.

Mr. Gow: In 1983 local authorities estimated that in Great Britain some 16,500 prefabricated reinforced concrete dwellings of the types designated by my right hon. Friend had been sold by the public sector and were in private ownership. The number of eligible home owners was therefore estimated to be of this order. More recent information suggests that the total number in private ownership may be somewhat higher.

Mr. Colin Shepherd asked the Secretary of State for the Environment when he expects to adjudicate upon the bids made by those local authorities with responsibilities for large numbers of dwellings of types designated under the Housing Defects Act 1984 for additional housing investment programme allocation.

Mr. Gow: My Department is considering the bids which have been made by local authorities for additional HIP allocations under the arrangements set out in DOE circular 9/85. Decisions will be made as quickly as possible.

Mr. Colin Shepherd asked the Secretary of State for the Environment what assistance he is contemplating for those local authorities that have in their housing stock substantial numbers of dwellings of types designated under the Housing Defects Act 1984.

Mr. Gow: In recognition of the problems faced by authorities with substantial numbers of defective prefabricated reinforced concrete dwellings in their housing stock a new indicator has been included in the generalised needs index, used in the housing investment programme allocation process.

The Department will continue to take into account, in annual HIP allocations, the need for expenditure on dwellings of this type. Moreover, the Building Research Establishment has published reports which will help authorites to appraise and deal with these problems.

Lifts (Emergency Telephones)

Mr. Golding asked the Secretary of State for the Environment what steps he will take to ensure that lifts in buildings contain emergency telephones which can be used by people wearing hearing aids; and if he will make a statement.

Sir George Young: My right hon. Friend the Secretary of State has no plans to make a general requirement of this kind. However, the licences for the running of branch communications systems granted by my right hon. Friend the Secretary of State for Trade and Industry on 3 August 1984 oblige the many organisations which have lifts in their buildings to which the public have access to take reasonable steps as soon as they can to ensure that any telephone installed in such a lift is capable of being

inductively coupled to hearing aids. This obligation is also being imposed on organisations who are operating their telecommunications networks under individual licences.

Cornish Unit Dwellings

Mr. Colin Shepherd asked the Secretary of State for the Environment (1) how many agencies are engaged in seeking techniques for the reinstatement of Cornish unit type dwellings; and if he will list these;

(2) what progress is being made towards developing a technique for the reinstatement of Cornish unit type homes under the Housing Defects Act 1984; and when he expects people in ownership of this type of dwelling and who qualify for assistance will be able to be offered reinstatement.

Mr. Gow: In my answer of 7 May to the hon. Member for Birmingham, Perry Barr (Mr. Rooker), at column 299-300, I explained that the National House Building Council had approved arrangements for the warranty scheme for repairs to prefabricated reinforced concrete houses designated under the Housing Defects Act 1984.

PRC Homes Ltd., a subsidiary of the National House-Building Council, will very shortly be inviting designers and builders to submit proposals for the reinstatement of Cornish unit and other types of PRC house. I understand that a number of methods of repair of Cornish unit houses are now being prepared for submission to PRC Homes Ltd. and I hope that the first repairs to Cornish unit houses under the scheme will be under way before long.

Mr. Colin Shepherd asked the Secretary of State for the Environment how many Cornish unit homes now in private ownership qualify for assistance under the Housing Defects Act 1984.

Mr. Gow: In 1983 local authorities estimated that in Great Britain some 4,500 prefabricated reinforced concrete dwellings of the Cornish unit type had been sold by the public sector and were in private ownership.

The number qualifying for assistance under the Housing Defects Act is likely to be of this order.

Palace of Westminster (PSA Expenditure)

Mr. Peter Bruinvels asked the Secretary of State for the Environment what has been the Property Services Agency's expenditure on the Palace of Westminister in 1984-85, 1983-84, 1982-83 and 1981-82.

Sir George Young: Records of expenditure are not maintained for individual buildings on the parliamentary estate. The gross expenditure for each of the years in question for the estate as a whole was:

	£
1984-85	9,607,000
1983-84	9,285,000
1982-83	9,130,000
1981-82	6,076,000

Housing (Multiple Occupation)

Mr. Ernie Roberts asked the Secretary of State for the Environment if he will seek powers to remove the requirement for a management order to be made before the Housing (Management of Houses in Multiple Occupation) Regulations 1962 may be applied to houses in multiple occupation; and if he will make a statement.

Sir George Young: No. My right hon. Friend the Secretary of State sees no reason at present to apply the 1962 regulations to houses in multiple occupation which are managed satisfactorily. My right hon. Friend wishes to see the outcome of the Department's research on houses in multiple occupation before considering whether any further measures are necessary.

Football Grounds (Safety)

Mr. Parry asked the Secretary of State for the Environment what discussions he has had with the Football Grounds Improvement Trust since 29 May about the condition of the Heysel stadium in Brussels and the implications for crowd safety and the control of violence at football grounds in the United Kingdom.

Mr. Macfarlane: The trust is represented on my working group on the financing of safety improvements at football grounds. The group met for the first time on 23 May 1985 and again on 19 June 1985. Our considerations encompass safety needs at football grounds, in the light of the various recent events.

Mr. Parry asked the Secretary of State for the Environment what further plans the Minister with responsibility for sport has to meet the Football Association and the Football League to discuss football violence.

Mr. Macfarlane: My informal and formal contacts with the football authorities, to take forward the package of measures to combat football spectator violence, are frequent. We meet formally in the working group which I chair, which is due to meet next on 11 July.

Glanford and Scunthorpe

Mr. Hickmet asked the Secretary of State for the Environment what assistance his Department has rendered to the Glanford and Scunthorpe parliamentary constituency since June 1983 in the form of derelict land grants, urban aid grants, and other similar resources available to his Department giving the sums of money concerned in each case, the organisations aided and the effect of those grants and the creation of employment.

Sir George Young: The figures are as follows:

Organisation receiving grant	Urban programme		European regional development fund			
	Capital	Revenue	Derelict land grant	Quota section	Non quota section	Industrial Development Act section 13
	£	£	£	£	£	£
(i) *Public sector*						
Humberside County Council	3,750	97,010		355,200		
Glanford Borough Council	—	—		653,800		
Scunthorpe Borough Council	35,000	112,773		506,100	280,000	78,880
Glanford and Scunthorpe Joint Committee for the reclamation of Normandy Park			351,018			
Anglian Water Authority				441,600		
Severn-Trent Water Authority				99,900		
	38,750	209,783	351,018	2,056,600	280,000	78,880
(ii) *Private sector*						
Pipe and Rail Limited			*1,440,000			

Location and number of projects

	Glanford	Scunthorpe
Urban programme	—	13
Derelict land grant	†1	1
ERDF quota	2	12
Non. quota	—	8
IDA Section 13	—	3

†Initial offer of grant subject to detailed examination of proposals and tenders.
*This scheme lies partly in Glanford and partly in Scunthorpe.

The majority of these grants are related to the provision of sites suitable for development rather than to any development. It is therefore impossible to say with any accuracy what employment will be created as a result of the investment.

Mr. Hickmet asked the Secretary of State for the Environment if he will estimate the cost to the Exchequer of tax and rating reliefs obtained by companies which have set up on the three enterprise zones in Glanford and Scunthorpe to date; and what estimate he has made of future costs to the Exchequer when the zones have been fully occupied.

Sir George Young: The only enterprise zone measure for which the cost to the Exchequer can be stated precisely is the exemption from rates. The cost of this to date in Glanford borough has been £65,505 and in Scunthorpe borough £284,916. No estimate has been made at this stage of the cost of this measure when the zones are fully occupied.

Mr. Hickmet asked the Secretary of State for the Environment if he will describe the incentives available to companies setting up on the three enterprise zones in the constituency of Glanford and Scunthorpe; and what assessment he has made of the impact of those zones upon the creation of employment.

Sir George Young: The following incentives are provided specifically in enterprise zones.

1. Exemption from rates on industrial and commercial property.
2. Exemption from development land tax (now abolished)
3. 100 per cent. allowances for corporation and income tax purposes for capital expenditure on industrial and commercial buildings.
4. Employers are exempt from industrial training levies and from the requirement to supply information to industrial training boards.
5. A greatly simplified planning regime, developments that conform with the published scheme for each zone will not require individual planning permission.
6. These controls remaining in force will be administered more speedily.
7. Applications from firms in enterprise zones for certain customs facilities will be processed as a matter of priority and certain criteria relaxed.
8. Government requests for statistical information will be reduced.

Other incentives are also available within these enterprise zones.

Both Scunthorpe and Glanford enterprise zones are located within the scunthorpe travel-to-work area and therefore benefit from development area status. There are two forms of incentives. Regional development grants may be made in respect of capital expenditure on providing certain new assets (plant, machinery, buildings or works) under a qualifying project or in respect of the number of new jobs created; and regional selective assistance which has two main forms: project grant: these grants are based on the capital expenditure costs of the project and on the number of jobs created or maintained. All sectors of industry and commerce, both manufacturing and service, are eligible to receive project grants, and training grants, which are based on the training costs associated with manufacturing and service industry projects.

The current employment figures in these enterprise zones are: Fellexborough 94, Scunthorpe 404.

Private Rented Accommodation (Right-to-Buy)

Mr. Ernie Roberts asked the Secretary of State for the Environment if he will introduce legislation to confer upon private sector tenants the right to purchase their rented accommodation; and if he will make a statement.

Sir George Young: No.

Civil Defence (Water Authorities)

Mr. Tony Banks asked the Secretary of State for the Environment what representations he has received from water authorities on their progress towards drawing up civil defence plans; and if he will publish them in the *Official Report*.

Mr. Gow [*pursuant to his reply*, 28 June 1985, *c. 514*]: Water authorities report good progress towards drawing up civil defence plans, and most of them expect to complete this task by the end of this year or shortly afterwards. I do not intend to publish these reports.

EDUCATION AND SCIENCE

School Maintenance

Mr. Evennett asked the Secretary of State for Education and Science whether he has advised local education authorities as to a recommended minimum consultation period with parents where cessation of maintenance of a school is proposed as a result of the decision in R v Brent London Borough Council ex parte Gunning and others; and if he will make a statement.

Mr. Dunn: No. The guidance already issued to local education authorities in circulars 2/80 and 2/81 and administrative memorandum 4/84 makes it clear that my right hon. Friend expects that there should have been adequate consultation with all those likely to be materially affected, in particular parents and teachers, in the 12 months prior to the publication of proposals under sections 12 to 15 of the Education Act 1980. The adequacy of prior consultations is a material factor in my right hon. Friend's decision on such proposals.

Disabled Access Survey

Mr. Alfred Morris asked the Secretary of State for Education and Science what study his Department has made of the disabled access survey of Leeds university, a copy of which has been sent to him; if there is any action he will be taking or recommending to other universities arising from the survey's findings; and if he will make a statement.

Mr. Brooke: The Department has only recently received a copy of this survey and has not yet had the opportunity to study it. Guidance on the provision of access for disabled people to educational buildings is available in the Department's Design Note 18 (second edition 1984).

Deaf Teachers

Mr. Freud asked the Secretary of State for Education and Science what information has been or will be sought by his Department in respect of the ability of deaf teachers to teach before publication of the replacement circular for circular 11/78; and if he will make a statement.

Mr. Dunn: Comments were invited in September 1984 from a wide range of interested organisations, including teachers' associations, local authority associations, teacher training institutions, organisations representing the deaf and partially hearing and other voluntary bodies, on the draft of a replacement for ciruclar 11/78. The responses received, including representations made about the guidance in the draft on the implications of defective hearing for teaching or teacher training, are currently under consideration. My right hon. Friend will consider the need for further consultation in the light of the responses. Decisions on the employment of individual teachers with hearing impairments, and on the admission to initial teacher training of students with such impairments, will continue to rest with the employing bodies and the training institutions respectively.

General Certificate of Secondary Education

Mr. Freud asked the Secretary of State for Education and Science how many representations he has received concerning the proposed merit and distinction awards for the new General Certificate of Secondary Education examination; and, of those, how many approved of the proposals.

Mr. Dunn: The Department has received over 360 responses to the consultation paper on GCSE distinction and merit certificates issued last December. About one-third of those replying express support for the proposals, in some cases with qualifications.

Music Teaching

Mr. Baldry asked the Secretary of State for Education and Science when Her Majesty's Inspectorate's discussion document on the teaching of music in schools is to be published; and if he will make a statement.

Sir Keith Joseph: Her Majesty's Inspectorate's "Music from 5 to 16" is published today, in the "Curriculum Matters" series. It sets out for comment aims and objectives for music teaching and discusses the content and method of music education and the assessment of pupils' progress.

"Music from 5 to 16" bases its analysis on the proposition, which my right hon. Friend the Secretary of State for Wales and I endorse, that all pupils in our schools can derive fulfilment and enjoyment from the study and practice of music: while fostering the development of those pupils who display particular musical talent, music education should also provide first-hand musical experiences which will challenge and absorb pupils across the whole range of musical ability, and will give them all the opportunity to show what they know, understand and can do.

My right hon. Friend and I welcome the publication of Her Majesty's Inspectorate's paper and commend it for consideration by all of those concerned with music education. We believe that they will find it of value both in improving standards within the wide range of musical activities which already exists in our schools and in extending that range still further.

University Students

Lord James Douglas-Hamilton asked the Secretary of State for Education and Science (1) what is the percentage of the population in Scotland attending universities in the United Kingdom in each of the last 20 years;

(2) what is the percentage of the population in England attending universities in the United Kingdom in each of the last 20 years;

(3) what is the percentage of the population in Wales attending universities in the United Kingdom in each of the last 20 years.

Mr. Brooke [*pursuant to his reply*, 24 June, c. *313*]: The percentages of the population in Scotland, in England and in Wales attending universities full-time in the United Kingdom in the last 12 years were:

	Scotland	*England*	*Wales*
1983	0·67	0·44	0·46
1982	0·68	0·45	0·47

	Scotland	England	Wales
1981	0·69	0·46	0·49
1980	0·68	0·45	0·49
1979	0·66	0·44	0·47
1978	0·67	0·43	0·46
1977	0·66	0·42	0·45
1976	0·65	0·40	0·43
1975	0·63	0·39	0·42
1974	0·62	0·38	0·41
1973	0·58	0·37	0·40
1972	0·55	0·38	0·39

Figures for earlier years are not available.

Youth Training

Mr. Sheerman asked the Secretary of State for Education and Science what was the participation rate for 16, 17, 18, 19, 20 and 21-year-olds in education and training in each of the years since 1975; and what information he has as to how these figures compare with the rates for the United Kingdom's principal economic competitors.

Sir Keith Joseph [*pursuant to his reply*, 24 June 1985, c. *313*]: Full data for the United Kingdom prior to 1979 are not available. The preparation of participation rates for both education and training require considerable estimation and have not been produced for all years since then. The figures readily available covering both full-time and part-time participation are as follows:

Participation in education† and training‡—United Kingdom*

Percentages

Age	1979	1981	1983
16	86	84	87
17	61	60	61
18	46	42	43
19‖	32	32	30
20‖	26	25	25
21 to 24	20	18	19

* Ages 16 to 18 include estimates for part-time private sector education and training, but exclude full-time private further education estimated as 4 per cent. at 16 and 2 per cent. at 16 to 18. Ages 19 and over exclude private sector education.

† Includes evening students, discounted for overlap with other types of study.

‡ Including apprenticeships, YOPs in 1979 and 1981, and in 1983, YTS.

‖ The split between 19 and 20-year-olds is partly estimated.

A limited amount of comparable information is available for 1979 and 1981 for a few countries, as follows:

*Participation in education and training**

Percentages

	Italy	Japan†‡	USA‡‖	Germany‖	France	Netherlands‖
1979						
Aged 16	n/a	91	n/a	97	83	96
17	n/a	92	n/a	91	68	77
18	n/a	38	n/a	70	43	56
19	n/a	37	n/a	44	27	39
1981						
Aged 16	69	89	94	92	84	97
17	70	90	87	89	69	82
18	56	37	55	72	45	59
19	45	36	41	46	30	42

* Including apprenticeships and schemes similar to YTS.

† Estimated; excluding some aged 18 and 19 in certain vocational training, ("special training schools"—Japanese terminology).

‡ Includes private sector higher education.

‖ Including compulsory part-time education for the youngest leavers; three years in Germany, one year in Netherlands.

FOREIGN AND COMMONWEALTH AFFAIRS

Non-proliferation Treaty

45. **Mr. Cartwright** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the approach Her Majesty's Government will be adopting to the third review conference of the treaty on the non-proliferation of nuclear and weapons.

Mr. Rifkind: Our position towards this important conference was fully set out in the speech of my hon. Friend the Member for Shoreham (Mr. Luce) during the Adjournment debate on this subject on 6 June, at columns 547-48.

Mr. Andrew F. Bennett asked the Secretary of State for Foreign and Commonwealth Affairs what representations he has received expressing concern for the future of the non-proliferation treaty; and if he will make a statement.

Mr. Rifkind: I refer the hon. Member to the reply my hon. Friend the Member for Shoreham (Mr. Luce) gave to the hon. Member for Yeovil (Mr. Ashdown) on 26 June, at columns 416-17.

European Council (Documents)

Mr. George Robertson asked the Secretary of State for Foreign and Commonwealth Affairs when he intends to place in the Library the documents entitled "Draft European Council Conclusions: Decision making and Draft Agreement on Political Co-operation" with annexes; and why he has not previously done so.

Mr. Rifkind: The conclusions of the European Council, together with the United Kingdom's suggestions for an agreement on political co-operation, an action programme for completion of the Common Market and on decision-taking are being placed in the Library in connection with the statement on the European Council by my right hon. Friend the Prime Minister. It would not have

been normal practice to make these documents public while they were still being discussed in confidence with other member states.

Diplomatic Service

Mr. Soley asked the Secretary of State for Foreign and Commonwealth Affairs what action he has taken since 22 November 1984 to increase resources for and reduce pressure on the Diplomatic Service.

Mr. Renton: The arrangement described in Cmnd. 9367 by which overseas price movements are fully taken into account in the public expenditure survey as well as during the year has been finalised. Arrangements are now in place to enable sales of property overseas to be used for the rationalisation of the overseas estate. Beyond that we cannot anticipate the result of the public expenditure survey, which will, as usual, be made known in my right hon. Friend the Chancellor of the Exchequer's annual Autumn Statement.

Mr. Soley asked the Secretary of State for Foreign and Commonwealth Affairs if, in the light of recent cuts in resources allocated to the Diplomatic Service, it remains the Government's intention to maintain a global foreign policy; and if he will make a statement.

Mr. Renton: Adjustments to Foreign and Commonwealth Office programmes for 1985-86 led to a marginal reduction in geographical coverage with the closure of 10 small overseas posts. We are satisfied, however, that this has not significantly impaired our ability to pursue an active worldwide foreign policy.

Chile

Mr. Best asked the Secretary of State for Foreign and Commonwealth Affairs with which political parties in Chile his Department has made recent contact; and what were the reasons for such contacts.

Mr. Renton: We maintain contact with a broad range of democratic opinion in Chile to inform ourselves of developments in that country and to indicate our interest in a return to normal political life. Recent visitors have included Sr. Rene Abeliuk of the Social Democratic party and Sr. Genaro Arriagada of the Christian Democratic party. We hope that Sr. Fernando Ochagavia of the National party will be able to visit this country in July.

Mr. Foulkes asked the Secretary of State for Foreign and Commonwealth Affairs (1) if he will list all official delegations or Government-sponsored individuals or parties from Chile who have visited the United Kingdom since January 1983, stating in each case the purpose of the visit;

(2) if he will list all occasions since January 1983 when United Kingdom Government or military officials have visited Chile, stating in each case the purpose of the visit.

Mr. Renton: The information is not readily available. I shall write to the hon. Member.

Mr. Corbyn asked the Secretary of State for Foreign and Commonwealth Affairs how many meetings there have been with representatives of the Chilean armed forces in each year since 1979.

Mr. Renton: The United Kingdom has had normal diplomatic relations with Chile since 1980. Meetings with Chilean officials and representatives of the Chilean armed forces are consistent with this policy.

Mr. Corbyn asked the Secretary of State for Foreign and Commonwealth Affairs what is the purpose of the visit of generals of the Chilean armed forces to Britain.

Mr. Renton: As I told the hon. Member on 11 June, at column 415, visits such as that of members of the Chilean National Academy of Political and Strategic Studies, which took place last week, are part of the normal pattern of our relations with Chile.

Government Overseas Services

Mr. Soley asked the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy to maintain and expand Government services abroad to assist British exporters in the promotion of both visible and invisible exports.

Mr. Rifkind: The promotion and protection of Britain's economic and commercial interests overseas, in coordination with the Department of Trade and Industry and other Departments with an interest in international trade, remains a major objective of the Foreign and Commonwealth Office. Over a third of Diplomatic Service and senior locally-engaged manpower overseas (excluding clerical and secretarial support staff) is devoted to this task, a proportion which has remained steady despite the reduction in Diplomatic Service manpower overall.

In view of the continuing need to control public expenditure, I cannot promise that more money will be available for Government services abroad for exporters. But the search will continue for improvements in efficiency and for the most cost-effective deployment of resources. Where it becomes necessary to look for further sensible economies, the quality of service will be paramount.

South Africa

Sir Anthony Grant asked the Secretary of State for Foreign and Commonwealth Affairs what study has been made of the effect of disinvestment in South Africa; and if he will make a statement.

Mr. Rifkind: We pay close attention to this question. We do not believe that disinvestment would achieve the changes we want to see in South Africa. On the contrary, we believe that trade and investment links are an important means of encouraging change.

Middle East (Peace Initiative)

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs whether, pursuant to the answer from the hon. Member for Shoreham (Mr. Luce) on 24 June, *Official Report*, column *317*, he will now list, by name, date and specific venue, the occasions known to Her Majesty's Government when official Palestine Liberation Organisation spokesmen had stressed Yasir Arafat's support for King Hussein's peace initiative; and whether he will indicate which of those occasions also involved explicit acceptance of United Nations Security Council resolutions 242 and 338.

Mr. Rifkind: Mr. Arafat's commitment to the Amman agreement of 11 February is not in doubt. It was reinforced when a PLO spokesman said in Amman on 31 May that Mr. Arafat had expressed

"great appreciation and full satisfaction with the Nationalist stand"

of King Hussein in his talks with President Reagan. Public acceptance by the PLO of United Nations security resolutions 242 and 338 would be another important step.

NATIONAL FINANCE

Economic Expansion

Mr. Ashdown asked the Chancellor of the Exchequer if he will now make it his policy to expand the economy in anticipation of a United States recession.

Mr. Peter Rees: There is no reason to expect a recession in the United States this year or next. As the 1985 Budget statement makes clear, the medium term financial strategy is as firm a guarantee against inadequate money demand in the United Kingdom as it is against excessive money demand. Both output and employment in the United Kingdom are currently growing at a substantial rate and the prospect is for further growth next year.

European Community Budget

Mr. Austin Mitchell asked the Chancellor of the Exchequer (1) what is the amount of value added tax contribution payable as a percentage overall by the member states under the draft European Economic budget for 1986; what is the total amount budgeted for; what is the maximum amount which can be devoted to agricultural spending within the total; and how this figure is arrived at;

(2) what is the estimated gross contribution by the United Kingdom under the draft European Economic Community budget for 1986; and how much of this represents value added tax and how much other resources.

Mr. Ian Stewart: The 1986 preliminary draft European Community budget is not yet available.

Government Borrowing

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report* a table showing for each year since 1955 the interest paid on central Government borrowing as a percentage of gross domestic product; and if he will include the amount represented by overfunding.

Mr. Peter Rees: The figures are readily available from published sources and can also be obtained from the Central Statistical Office databank, accessible through the House of Commons Library. The debt interest figures do include, by definition, interest payments on any overfunding. It is not possible to relate any precise part of the total to overfunding.

Capital Gains Tax

Mr. Patrick Thompson asked the Chancellor of the Exchequer if he has yet decided whether it is necessary to deal with the question of losses for capital gains tax purposes referred to by the Chief Secretary in the House on 8 May, *Official Report*, 8 May, column *819*.

Mr. Lawson: At present, gains on gilt edged securities and qualifying corporate bonds are exempt from capital gains tax if the securities are held for more than 12 months. Following a review of this treatment in the light of the introduction of the accrued income scheme, and as a further measure of simplification, it is now proposed to exempt these securities entirely from capital gains tax.

This exemption will apply to disposals of gilts and qualifying corporate bonds on or after 2 July 1986 and, to avoid further complication, amendments to the Finance Bill indexation provisions will be proposed so that they have no application to these securities.

As a result, taxpayers will no longer need to keep records or include these securities on their tax returns for capital gains tax purposes. At the same time, it will remove the possibility that the CGT indexation provisions could be deliberately used to establish short-term capital gains tax losses on these instruments, where counter-balancing gains would not normally arise because holders would delay realising gains until 12 months after purchase.

The Inland Revenue is today issuing a press release giving further information about these proposals and of the necessary consequential legislative changes. The changes will be introduced at Report stage of the Finance Bill.

Exchange Rates and Oil Price Assumptions

Mr. Blair asked the Chancellor of the Exchequer if he will publish the assumptions used by Her Majesty's Government for the exchange rate and oil price in their forecast of oil revenues in the Financial Statement and Budget Report.

Mr. Peter Rees [*pursuant to his reply*, 27 June 1985, c. *493*]: North sea revenues depend on a range of factors such as oil production and company expenditures as well as oil prices and the exchange rate. The FSBR (pages 8-9) noted that the medium-term projections of oil revenues were based on the assumptions of falls in oil production and in real oil prices, and no major change in the sterling exchange rate index from year to year.

Taxation and Rates

Mr. Straw asked the Chancellor of the Exchequer if he will publish estimates of *(a)* value added tax, *(b)* domestic rates, and *(c)* other indirect taxes, paid by those on (i) 75 per cent. (ii) 100 per cent. and (iii) 150 per cent. of average earnings in 1985-86 and each of the previous seven years; and if he will state the level of average earnings in each year.

Mr. Moore [*pursuant to his reply*, 28 June 1985, c. *513*]: Estimates based on the 1983 family expenditure survey and for four household types are in the table.

£ per week

	Single	*Married (one working)*	*Married (both working)*	*Married with two children (one working)*
75 per cent. of average earnings 1978-79				
VAT	1·71	1·76	2·07	1·62
Domestic rates	2·23	2·46	2·62	2·25
Other indirect taxes	5·85	7·17	8·91	7·06

	Single	Married (one working)	Married (both working)	Married with two children (one working)
1979-80				
VAT	3·16	3·21	3·71	2·97
Domestic rates	2·66	2·93	3·11	2·67
Other indirect taxes	6·64	8·03	9·89	7·95
1980-81				
VAT	3·81	3·92	4·44	3·56
Domestic rates	3·43	3·76	3·97	3·46
Other indirect taxes	7·81	9·45	11·48	9·29
1981-82				
VAT	4·16	4·22	4·77	3·89
Domestic rates	4·25	4·67	4·93	4·27
Other indirect taxes	9·03	10·94	13·40	10·89
1982-83				
VAT	4·51	4·58	5·23	4·24
Domestic rates	4·68	5·16	5·46	4·70
Other indirect taxes	9·41	11·41	14·21	11·43
1983-84				
VAT	5·04	5·14	5·91	4·78
Domestic rates	4·82	5·32	5·63	4·86
Other indirect taxes	10·27	12·45	15·52	12·44
1984-85				
VAT	5·73	5·84	6·68	5·30
Domestic rates	4·95	5·46	5·78	5·02
Other indirect taxes	10·81	13·23	16·41	13·20
1985-86				
VAT	6·13	6·24	7·30	5·63
Domestic rates	5·26	5·80	6·16	5·31
Other indirect taxes	11·55	14·10	17·69	14·04
100 per cent. of average earnings				
1978-79				
VAT	2·35	2·49	2·76	2·22
Domestic rates	2·52	2·68	2·78	2·58
Other indirect taxes	7·09	8·62	9·91	7·98
1979-80				
VAT	4·37	4·59	4·98	4·11
Domestic rates	3·01	3·19	3·30	3·07
Other indirect taxes	8·15	9·76	11·11	9·12
1980-81				
VAT	5·27	5·58	5·95	4·94
Domestic rates	3·91	4·11	4·22	3·99
Other indirect taxes	9·63	11·50	12·90	10·72
1981-82				
VAT	5·80	6·08	6·46	5·42
Domestic rates	4·84	5·10	5·24	4·93
Other indirect taxes	11·13	13·30	15·01	12·55
1982-83				
VAT	6·28	6·59	7·06	5·90
Domestic rates	5·31	5·62	5·80	5·42
Other indirect taxes	11·63	13·88	15·88	13·19
1983-84				
VAT	7·01	7·38	7·93	6·62
Domestic rates	5·47	5·79	5·98	5·59
Other indirect taxes	12·68	15·16	17·37	14·37
1984-85				
VAT	7·95	8·28	9·17	7·55
Domestic rates	5·62	5·95	6·13	5·77
Other indirect taxes	13·32	16·04	18·30	15·21
1985-86				
VAT	8·50	8·85	9·90	8·03
Domestic rates	5·97	6·31	6·53	6·11
Other indirect taxes	14·23	17·11	19·67	16·17
150 per cent. of average earnings				
1978-79				
VAT	3·69	4·01	4·08	3·48
Domestic rates	3·13	3·12	3·09	3·26
Other indirect taxes	9·68	11·64	11·83	9·88
1979-80				
VAT	6·94	7·51	7·49	6·53
Domestic rates	3·76	3·73	3·68	3·92
Other indirect taxes	11·33	13·42	13·51	11·58
1980-81				
VAT	8·36	9·09	8·98	7·84
Domestic rates	4·92	4·84	4·73	5·12
Other indirect taxes	13·48	15·83	15·73	13·71
1981-82				
VAT	9·17	9·91	9·83	8·59
Domestic rates	6·06	5·98	5·87	6·30
Other indirect taxes	15·47	18·19	18·25	15·99
1982-83				
VAT	9·93	10·74	10·71	9·33
Domestic rates	6·62	6·57	6·47	6·88
Other indirect taxes	16·18	18·98	19·23	16·81
1983-84				
VAT	11·08	12·01	11·99	10·46
Domestic rates	6·81	6·77	6·67	7·10
Other indirect taxes	17·68	20·78	21·07	18·37
1984-85				
VAT	12·59	13·39	14·16	12·25
Domestic rates	7·03	6·97	6·85	7·35
Other indirect taxes	18·55	21·92	22·07	19·39
1985-86				
VAT	13·46	14·33	15·15	13·07
Domestic rates	7·45	7·40	7·27	7·78
Other indirect taxes	19·85	23·43	23·67	20·66

Notes:

1. Average earnings are taken to be the average gross weekly earnings of all full-time males on adult rates with pay unaffected by absence. The levels of average earnings in each year are given below. The figures for 1985-86 is illustrative and assumes growth of 7 per cent. over the provisional 1984-85 outturn.

	£ per week		£ per week
1978-79	92·90	1982-83	157·50
1979-80	109·40	1983-84	171·00
1980-81	131·50	1984-85	*185·20
1981-82	146·00	1985-86	†198·20

* provisional.
† assumption.

2. The married couple with both working is assumed to have joint earnings of the various multiples of average earnings. In calculating disposable income it is assumed that the joint earnings are split between husband and wife in the ratio 60:40.

3. The estimates are based on the illustrative assumption that 10 per cent. of disposable income is saved. They are derived from the 1983 family expenditure survey, but have been adjusted to reflect the effects of average changes in spending patterns over the eight year period.

4. The category "other indirect taxes" covers central Government taxes only, but includes the indirect effects of taxes levied on businesses.

DEFENCE

Base Closure

2. **Mr. Wigley** asked the Secretary of State for Defence what steps are taken by his Department when considering the closure of bases owned by them, to phase such closures over a period of time to enable those directly and indirectly dependent on his Department for employment to find alternative work.

Mr. Lee: We seek to give the earliest possible warning of establishment closures to all concerned, including hon. Members, and to minimise any redundancies that may be necessary. When a decision on closure has been taken, we seek to phase the rundown consistent with meeting defence requirements and in consultation with the trade unions. Staff are transferred to other jobs in Government service where this is possible, and management is encouraged to assist those who are redundant in seeking alternative employment. We also seek to ensure that staff, contractors and others are informed as soon as detailed plans affecting their interests are drawn up.

Disarmament Talks

15. **Mr. Norman Atkinson** asked the Secretary of State for Defence what proportion of the statistical information in regard to the nuclear balance as set out in annex A Defence Estimates 1985 vol. 1 has been verified and numerically agreed with both the North Atlantic Treaty Organisation and the Soviet Union; and what are the reasons for the discrepancies between annex A and the statistics submitted by the North Atlantic Treaty Organisation and the Union of Soviet Socialist Republics for consideration by the current Geneva talks.

Mr. Stanley: The statistical information referred to is consistent with NATO assessments available at the time that the Statement on the Defence Estimates was being prepared. If the hon. Member has any particular statistical discrepancies in mind, I will be glad to examine them.

Trident Submarines

16. **Mr. Andrew F. Bennett** asked the Secretary of State for Defence if he is satisfied with the efficiency of the communication systems proposed to be used between the United Kingdom and Trident submarines.

Mr. Butler: Yes.

Falkland Islands

17. **Mr. Parry** asked the Secretary of State for Defence if he has any further plans to make an official visit to the Falklands.

Mr. Heseltine: No.

Experimental Aircraft Project

18. **Mr. Stan Thorne** asked the Secretary of State for Defence if he will make a statement concerning progress with the experimental aircraft project.

Mr. Butler: The experimental aircraft programme is a technology demonstrator programme that will provide practical experience in the integration of the wide range of new technologies required for any new, sophisticated combat aircraft. The design and construction of the aircraft is well advanced and on schedule for a first flight in mid-1986. I am pleased to report, therefore, that excellent progress is being maintained.

Merchant Fleet

19. **Mr. Nicholas Brown** asked the Secretary of State for Defence if, in view of the decline in the size of the British merchant fleet, he has reviewed, since the Falklands war, the arrangements for ships taken up from trade.

Mr. Stanley: We have been reviewing the likely future availability of merchant shipping required for defence purposes and that review is continuing.

Trident

20. **Mr. Wallace** asked the Secretary of State for Defence whether he will make a statement on the development of the Trident programme.

27. **Mr. Tony Lloyd** asked the Secretary of State for Defence if he will make a statement on the progress of the Trident programme.

Mr. Butler: The programme for replacing Polaris with Trident continues to proceed satisfactorily, on the lines indicated in my answer to the hon. Members for Sheffield, Hillsborough (Mr. Flannery), for Holborn and St. Pancras (Mr. Dobson) and for Newham, North-West (Mr. Banks) on 26 March 1985 at column 179. Since then, one specific development has been the successful move of the prototype pressurised water propulsion reactor, known as PWR2, from Barrow to Dounreay, to undergo development tests and trials. The PWR2 will be used to power both the Trident submarines and the next generation of nuclear powered hunter-killer submarines.

Royal Dockyards

21. **Mr. Hicks** asked the Secretary of State for Defence when he hopes to make his decision on the future management structure of the royal dockyards following the consultation period; and if he will make a statement.

Mr. Lee: Depending on the outcome of current consultation, my right hon. Friend would hope to be able to make an announcement before Parliament rises for the summer recess.

RAF Maritime Craft Operations

22. **Mr. Malone** asked the Secretary of State for Defence what criterion he will apply when considering tenders for management services of Royal Air Force marine craft operations.

Mr. Lee: The normal criterion will apply. We will accept the cheapest tender from a company with the requisite financial and technical resources to do the job.

European Fighter Aircraft

23. **Mr. Ron Davies** asked the Secretary of State for Defence if he will make a statement concerning his recent discussions on the European fighter aircraft.

31. **Mr. Gerald Howarth** asked the Secretary of State for Defence if he will make a statement on the European fighter aircraft.

32. **Mr. Carter-Jones** asked the Secretary of State for Defence if he will now make a statement on the European fighter aircraft.

Mr. Favell asked the Secretary of State for Defence if he will make a statement on the progress of the discussions on the proposed European fighter aircraft.

Mr. Butler: The further industrial studies commissioned by Ministers of the five participating countries at their meeting in London on 18 June are proceeding. Industry has been asked to submit its proposals by mid-July and Ministers will review the position shortly thereafter. We will continue to do all we can to reach an agreement acceptable to all parties and which would enable project definition to be launched on a five nation, collaborative basis; to be acceptable to the United Kingdom the aircraft would have to have adequate performance and the interests of British industry properly safeguarded.

Middle East (Exercises)

24. **Mr. McKelvey** asked the Secretary of State for Defence whether his Department has any plans for major exercises in the middle east.

42. **Mr. Fisher** asked the Secretary of State for Defence what plans his Department has for out-of-area exercises.

Mr. Stanley: I cannot at present add to what my right hon. Friend said on 12 June, at column 909, about next year's planned strategic mobility exercise. Its location has yet to be finalised.

Nuclear Weapons (Europe)

25. **Mr. Stephen Ross** asked the Secretary of State for Defence what current research he is undertaking with a view to installing new nuclear weapons in Europe.

Mr. Butler: I refer the hon. Member to the answer I gave to the hon. Member for Sheffield, Heeley (Mr. Michie) on 15 May 1985 (Vol. 79, column 151).

Chemical Weapons

26. **Mr. Chapman** asked the Secretary of State for Defence if he will make a statement about the current provision in the defence budget for protective equipment and counter measures against attack by chemical weapons.

Mr. Stanley: We give high priority to defensive measures against chemical attack and the level of provision currently planned would allow for a substantial amount of new protective equipment to be procured.

Burtonwood Base

28. **Mr. Allan Roberts** asked the Secretary of State for Defence what Burtonwood base, near Warrington, is used for; and what is transported to and from Burtonwood through the port of Liverpool.

Mr. Lee: RAF Burtonwood is a storage facility made available to the United States army. There is in addition a small training facility used by the British army on the site. Stores being taken from or to RAF Burtonwood may pass through a number of points of entry. It is not our practice to discuss details.

Defence Equipment

29. **Mr. Colvin** asked the Secretary of State for Defence what have been the ratios of reciprocal sales and purchases of defence equipment between the United Kingdom and the United States of America through the so-called two way street over the last five years for which figures are available.

Mr. Butler: For the last five years for which figures are available the approximate ratios are:

	Ratio
1979-80	1·5 : 1
1980-81	2·0 : 1
1981-82	2·0 : 1
1982-83	1·9 : 1
1983-84	*2·1 : 1

* Provisional.

Destroyers and Frigates

30. **Mr. Duffy** asked the Secretary of State for Defence if he is satisfied with the present rate of ordering of destroyers and frigates.

Mr. Lee: Yes.

Defence Industries (Leicester)

33. **Mr. Janner** asked the Secretary of State for Defence how many people are currently employed in the defence industries in Leicester.

Mr. Lee: Estimates of the number of jobs in United Kingdom industry sustained, directly or indirectly, by defence expenditure are derived from generalised statistical information. It is not possible to break these estimates down into the numbers employed in a particular area.

Tornado F2

34. **Mr. Straw** asked the Secretary of Defence if he will make a statement concerning the introduction of Tornado F2.

Mr. Butler: The Tornado F2 entered Royal Air Force service with the formation of the operational conversion unit at RAF Coningsby on 1 May 1985.

Strategic Defence Initiative

35. **Mr. Cohen** asked the Secretary of State for Defence whether any contracts have yet been signed by British companies in connection with the strategic defence initiative.

Mr. Butler: Whilst individual United Kingdom companies may have entered into negotiation with the United States on matters relating to the strategic defence initiative, I am not aware of the award of any contracts.

36. **Mr. Bruce** asked the Secretary of State for Defence whether he intends to discuss the strategic defence initiative with Vice President George Bush whilst he is in the United Kingdom.

Mr. Heseltine: There are no plans for me to have detailed discussion with Vice President Bush during his visit to the United Kingdom.

Mr. Wareing asked the Secretary of State for Defence if he has plans to meet the United States Secretary for Defence in the near future to discuss the strategic defence initiative.

Mr. Heseltine: I have no plans as yet for a further meeting with the United States Defence Secretary in the near future, but my officials are in continuous contact with his on a range of subjects.

Helicopters (Cambridgeshire)

37. **Mr. Skinner** asked the Secretary of State for Defence what complaints he has received about the use of military helicopters in the Cambridgeshire area.

Mr. Lee: My right hon. Friend has received one letter on this subject, from the hon. Member, which is being attended to.

Trident Base (Coulport)

38. **Mr. Strang** asked the Secretary of State for Defence when he last met representatives of Dumbarton district council to discuss local aspects of the proposed Trident base at Coulport; and if he will make a statement.

Mr. Stanley: My right hon. Friend has not met representatives of the council, but officials of the MOD and of the PSA last did so on 24 June.

RAF Caerwent

39. **Mr. D. E. Thomas** asked the Secretary of State for Defence when he will next visit RAF Caerwent.

Mr. Stanley: My right hon. Friend the Secretary of State for Defence has no plans to do so.

Cruise Missiles

40. **Mr. Terry Lewis** asked the Secretary of State for Defence if he will make a statement on the progress of the installation of cruise missiles at Greenham Common and Molesworth.

Mr. Stanley: I refer the hon. Member to the answer I gave to the hon. Member for Coventry, South-East (Mr. Nellist) earlier today.

HMS Fearless and Intrepid (Replacements)

41. **Sir John Farr** asked the Secretary of State for Defence when he will announce his decision about the replacements for the assault ships HMS Fearless and HMS Intrepid.

Mr. Lee: We expect to take a decision on future amphibious capability in the middle of next year.

Low-flying Aircraft, Nottingham

43. **Mr. Ashton** asked the Secretary of State for Defence what increases there have been in the number of low-flying aircraft passing over the constituency of Bassetlaw, North Nottingham, since 1979.

Mr. Lee: I regret that we do not keep records of the number of low-flying military aircraft passing over individual constituencies.

3 Commando Brigade

Mr. McNamara asked the Secretary of State for Defence if he will make a statement concerning the role of 3 Commando Brigade.

Mr. Lee: I refer the hon. Member to the Statement on the Defence Estimates 1985 Vol. I (Cmnd. 9430–I), paragraph 430, in which the role within NATO of 3 Commando Brigade Royal Marines is set out. The brigade is also, of course, available for national tasks.

Staff and Executive Responsibility Budgets

Mr. McNamara asked the Secretary of State for Defence if he will make a statement concerning the planned extended coverage of staff and executive responsibility budgets.

Mr. Butler: Staff responsibility budgets, which were first introduced in the financial year 1984-85, now cover all United Kingdom-based civilians. The range of expenditure which figures in these budgetary arrangements has been extended to include travel and subsistence costs. In addition, staff responsibility budgets for service personnel in the support field were introduced on a trial basis at the beginning of this financial year, 1985-86. Initially they will cover some 60,000 personnel but the intention is to extend this coverage in the future. Executive responsibility budgets were introduced on 1 April 1985 following a two-year period of trials and pilot schemes. The implementation programme is spread over three years and covers some 300 units and establishments in the support field in the United Kingdom. The activities involved include supply, repair, medical services, the individual training of service personnel, and research and development. This form of budgetary system embraces all expenditure attributable to the units concerned.

RAF Maintenance and Support

Mr. McNamara asked the Secretary of State for Defence if he will list the economies that have been achieved in Royal Air Force maintenance and support.

Mr. Lee: A wide range of measures are being taken to effect economies in RAF maintenance and support. The level of contracts opened to competition has increased significantly and engineering practices, provisioning procedures and parameter values, manpower employment and the use of transport resources, land and other facilities continue to be the subject of criticial review. Specific measures have included the commercial management of the physical aspects of the defence accommodation stores depot task at RAF Quedgeley and of the air forms and publication warehousing at Woolwich, and of engineering and supply support for basic flying training and communications aircraft at RAF Linton-on-Ouse, Shawbury and Northolt and for all university air squadrons and air experience flights; increased industrial support for the major servicing of several aircraft types and a reduction in the capacity of major repair units, including lower civilian manpower balanced by enhanced productivity; the use of civilian driving schools for the training of tradesmen drivers and most accommodation cleaning conducted under contract; together with the introduction and expansion of computer support in all areas, including air passage reservations.

5th Airborne Brigade

Mr. McNamara asked the Secretary of State for Defence if he will make a statement concerning the role of the 5th Airborne Brigade.

Mr. Lee: 5th Airborne Brigade has a general war role in home defence; it is also the army brigade earmarked for operations outside the NATO area.

Army Pay, Manning and Records Office

Mr. McNamara asked the Secretary of State for Defence, if will make a statement concerning the role and staffing of the Army's pay, manning and records office.

Mr. Butler: I refer the hon. Member to the answer given to him on 25 April, at column *519*. by my hon. Friend the Parliamentary Under-Secretary of State for Defence Procurement. The evaluation of the proposals to relocate the army manning, record and pay offices has taken slightly longer than I had anticipated, but I hope to be able to make an announcement before the House rises for the summer recess. This will make clear the future staffing of these offices. Their role will not be affected by the proposed reorganisation.

Chile

Mr. Foulkes asked the Secretary of State for Defence if he will list the names and ranks of all those officers from Chile currently visiting the United Kingdom, the names of all people and organisations whom they met during their visit and the purpose of the visit; and if he will make a statement.

Mr. Stanley: Twelve students and staff of the Chilean National Academy of Political and Strategic Studies, led by its director, Brigadier General Navarrete, visited the United Kingdom from 23 to 29 June. The group met officials from the Ministry of Defence and the Foreign and Commonwealth Office, and visited the Royal College of Defence Studies; two service headquarters; the Institute of Latin American Studies; the Civil Service College and the International Institute of Strategic Studies.

Whale and Turtle Products

Mr. Tony Banks asked the Secretary of State for Defence what whale or turtle products have been purchased by his Department during the past five years.

Mr. Lee: None.

China

Mr. Adley asked the Secretary of State for Defence if he will make a statement on the recent meetings with his ministerial counterparts in the Chinese Government.

Mr. Heseltine: I have had no such meetings. The recent ministerial discussions which took place during the Chinese Premier's visit to the United Kingdom did not involve Defence Ministers.

OVERSEAS DEVELOPMENT

Gibraltar

Mr. McQuarrie asked the Secretary of State for Foreign and Commonwealth Affairs what representations he has received from the managing director of Gibraltar Shiprepair Ltd. about the possibility that the £28 million granted to the Gibraltar Government to commercialise the dockyard in Gibraltar over a period of three years could be used up by the end of 1986; and if he will make a statement.

Mr. Raison: I have received no representations from the managing director of Gibraltar Shiprepair Ltd.

The capital aid grant of a maximum of £28 million was intended to finance physical development and civil engineering of the former naval dockyard, to meet certain "start-up" expenses and cover any operating cash deficit during the first two years of commercial operations, which began on 1 January 1985. It therefore had always been our expectation that disbursement of our capital aid grant would be completed by the end of 1986, or shortly after.

UNESCO

Mr. Freud asked the Secretary of State for Foreign and Commonwealth Affairs what information he has as to the number of member countries of the United Nations Educational, Scientific and Cultural Organisation whose national commissions or their equivalent are chaired by a member of the Government; and if he will make a statement.

Mr. Raison: According to information provided by UNESCO in March 1985 there were 93 national commissions chaired by a member of the Government concerned.

Mr. Freud asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the future status of the United Kingdom National Commission for the United Nations Educational Scientific and Cultural Organisation in the light of Her Majesty's Government's conditional decision to withdraw from that body.

Mr. Raison: The United Kingdom National Commission for UNESCO would continue in its present form until at least the end of 1985, when our decision on Britain's possible continued membership of the organisation will have been made.

Mr. Freud asked the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has received concerning Her Majesty's Government's conditional decision to withdraw from the United Nations Educational, Scientific and Cultural Organisation.

Mr. Raison: At the end of June, 134 written representations had been received since the announcement of our conditional decision to withdraw from UNESCO.

Mr. Freud asked the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the implications of the proposed withdrawal of the United Kingdom from the United Nations Educational, Scientific and Cultural Organisation for North-South relations; and if he will make a statement.

Mr. Raison: Some developing countries have shown concern that our giving notice indicates a loss of interest by Western countries in the United Nations system and multilateral co-operation. I hope that the energy we and other Western countries have shown in seeking improvement in UNESCO will disabuse them of this belief.

SOCIAL SERVICES

Vietnamese Refugees

44. **Mr. John Hunt** asked the Secretary of State for Social Services, what representations he has received with regard to the impact of the new board and lodging regulations upon Vietnamese refugees; and if he will make a statement.

Mr. Newton: We have received several representations from, among others, the British Refugee Council about the possible impact of the new board and lodging regulations on Vietnamese refugees. The main concern was that young Vietnamese refugees living with their parents in board and lodging accommodation would be forced to leave because of the time limits on payment as a boarder. The draft regulations laid before the House on 26 June exempt such young people from the time limits and payments will be made on an ex-gratia basis until the regulations come into force. If there are any other problems affecting Vietnamese refugees we will look into them.

Heroin

Mr. Alton asked the Secretary of State for Social Services whether his Department had consultations with the Anti-Heroin Campaign or with Mr. Pete Townshend's anti-heroin group before launching the current campaign against heroin; and if he will make a statement.

Mr. John Patten: Yes. My right hon. Friend and I and officials had discussions with Mr. Townshend on several occasions. Officials have met and have been in correspondence with Ms. Lynne Franks who has acted in co-ordinating the anti-heroin campaign. Their approaches differ from ours, which is based principally on recent research findings, but we welcome their interest in tackling drug misuse.

Health Services (North-West)

Mr. Favell asked the Secretary of State for Social Services what were the total numbers employed by the National Health Service in the north-west region in 1978-79 and 1983-84.

Mr. John Patten: The available figures are shown in the table. They relate to 30 September in each of the financial years requested; annual average staff numbers are not available.

Total NHS Directly Employed Staff in North Western Region

	**†Whole-time equivalents 1978*	*‡1983*
Total NHS staff including agency Nursing and Midwifery staff and locum Medical and Dental staff)	66,800	76,100

Notes:—
* Excludes hospital practitioners, part-time medical officers (clerical assistants), general medical practitioners participating in hospital staff funds, occasional sessional staff in the community health services and overseas doctors in the NHS fellowship scheme.
† Figures are not adjusted for the reduction in nurses' working hours (from 40 to 37½ hours per week) in 1980
‡ Figures for bank nurses were collected on a separate manual return in September 1983

Death Grant

Mrs. Renée Short asked the Secretary of State for Social Services if, pursuant to the answer of 17 June, *Official Report*, column *40*, he will give details of the numbers of staff employed in administration of death grant, the cost of accommodation, the cost of postage and the cost of post office encashment charges in those years on which the calculation of costs was based in 1982 and 1985, respectively.

Mr. Whitney: The costs of administering individual benefits are derived by apportioning total administrative costs in accordance with sample surveys of the amount of staff time devoted to particular activities. The results inevitably have a high degree of statistical uncertainty for the smaller benefits, and it would not be meaningful to break them down into individual categories of expenditure. As explained in my reply to the hon. Member on 17 June, at column *40*, the overall costs of salaries, accommodation and encashment charges increased over the period, due in part to changes in the basis on which these costs are attributed to Departments; at the same time, later sample surveys suggested a greater proportion of staff time spent on death grant work. Neither of the figures referred to in my previous reply were intended to give more than a broad indication of costs.

Benefits

Mr. Baldry asked the Secretary of State for Social Services how many people, referred to an insurance officer for either refusing suitable employment or neglecting to avail themselves of opportunities for work, have had benefit denied in consequence in: 1979, 1980, 1981, 1982, 1983 and 1984, respectively.

Mr. Whitney: The numbers of people in Great Britain disqualified for receiving unemployment benefit for these reasons are as follows. Figures for 1984 are not yet available.

	Refusal of suitable employment	*Neglect to avail*	*Total*
1979	7,112	662	7,774
1980	8,227	736	8,963
1981	4,194	585	4,779
1982	2,248	434	2,682
1983	1,450	433	1,883

Although supplementary benefit may be withheld if a claimant refuses suitable employment and if the situation is still vacant or open to application, such cases are rare, and no statistics are available about the number of cases in which this happens. However, a voluntary unemployment deduction is applied to a supplementary allowance when a person has been disqualified, or would be disqualified, for receiving unemployment benefit under section 20(1) of the Social Security Act. This may be for other reasons than refusal of employment, for example because of leaving work voluntarily without just cause, but the available statistics do not permit the precise reason for deductions to be identified. The following table therefore shows all cases with such deductions.

United Kingdom	Reductions of Supplementary Benefit*
1979	370,000
1980	270,000
1981	190,000
1982	190,000
1983	300,000

* The supplementary benefit figures have been estimated from information in the Annual Statistical Enquiry, on the assumption that deductions apply for, on average, four weeks.

Medicines (Sugar Content)

Mr. Coombs asked the Secretary of State for Social Services (1) if he will investigate the sugar content of paediatric medicines and its impact on the aetiology of dental caries;

(2) if he will take steps to ensure that a range of sugar-free liquid medicines are made available in the United Kingdom.

Mr. John Patten: We have received expert advice on a number of occasions that long-term use by children of medicines containing sugar can cause serious dental decay. A warning to this effect has been included in the "Prescribing for Children" section of the British National Formulary and prescribers are encouraged to use sugar-free alternatives wherever possible.

In discussions with manufacturers, licensing authority staff stress the desirability of minimising or removing the sugar content of medicines, especially paediatric ones. Sugar in solution is, however, a non-toxic and effective base and preservative for liquid medicine and it can be difficult to reformulate satisfactorily using alternatives which do not present other problems.

Supplementary Benefit

Mr. Frank Field asked the Secretary of State for Social Services how many households, in receipt of supplementary benefits, and at what cost, were assisted within the housing benefit scheme with (i) their heating costs, (ii) their lighting costs, (iii) their hot water costs: (iv) their cooking costs in each of the years for which figures are available.

Mr. Whitney: I regret that the information requested is not available.

Sir Dudley Smith asked the Secretary of State for Social Services what estimate he has of the number of young people still at school who are able to obtain supplementary benefit from his Department.

Mr. Whitney: Supplementary benefit may be paid to young people who are remaining after the age of 16 in full-time, non-advanced education if they fall into one of four special groups. These include, broadly, those who have a child of their own, or are severely handicapped and would be unlikely to obtain work within 12 months, or are orphans not being cared for by anyone else, or are estranged from their parents. Separate statistics are not kept of the number of young people who fall into these categories.

Drug Abuse

Mr. Kilroy-Silk asked the Secretary of State for Social Services why no funds under the central initiative to provide services for drug misusers have yet been allocated to the St. Helens and Knowsley area health authority.

Mr. John Patten: One application under the central initiative has been received from St. Helens and Knowsley health authority for a health education officer. This is under consideration.

Mr. Kilroy-Silk asked the Secretary of State for Social Services if he will list each grant made under the central initiative for services for drug misusers.

Mr. John Patten: The information requested is in the table.

	Description of project	£
	HEALTH AUTHORITIES	
Northern Region		
East Cumbria Health Authority	Walk-in Centre	75,800
Newcastle Health Authority	Extension of Services at Drug Dependence Unit	146,670
South Tyneside Health Authority	Community Psychiatric Nursing Team	103,670
Yorkshire Region		
Leeds Western Health Authority	Drug Screening Equipment	14,800
Leeds Western Health Authority	Community Based Drug Addiction Service	78,412
York Health Authority	Advisory and Counselling Service for Drug Misusers	15,000
Trent Region		
North Lincolnshire Health Authority	Information gathering and co-ordination	23,680
Nottingham Health Authority	Outpatient/Community Centre	138,224
East Anglian Region		
East Anglian Regional Health Authority	Part-time Clinic in Norwich	105,475
Cambridge Health Authority	Street based Clinic for Young Drug Misusers	186,644
Peterborough Health Authority	Drug Screening Equipment	3,450
North West Thames Regional Health Authority		
Hillingdon Regional Health Authority	Educational/Preventative Programme	109,555
Paddington and North Kensington Health Authority	Therapy Service for Drug Misusers and Families	187,500
Riverside Health Authority	Drug Screening Service	19,836
Riverside Health Authority	Improvement of Drug Screening Facilities	26,000
North Hertfordshire Health Authority	Drug Education and Screening Service	16,877

	Description of project	£
Ealing Health Authority	Drug Screening Analytical Equipment	41,142
Riverside Health Authority	Monitoring of Young Unregistered Drug Misusers	147,450
Riverside Health Authority	Analytical Service for the 'Nucleus' project	57,239
North Bedfordshire Health Authority	Appointment of a Community Psychiatric nurse	23,250
North East Thames Region		
City and Hackney Health Authority	Extension of existing services	145,300
Bloomsbury Health Authority	Nurse Training Course	56,604
Bloomsbury Health Authority	Local Routine Monitoring System (North London)	83,630
Bloomsbury Health Authority	Day Treatment Centre	369,754
Barking, Havering and Brentwood Health Authority	Local Back-up Service to Existing Central Clinic	69,070
Enfield Health Authority	Lectures and discussions on Drugs	1,800
Southend Health Authority	Multi-Disciplinary Team	138,150
South East Thames Region		
Bromley Health Authority	Information gathering—Assessment of district needs	43,400
West Lambeth Health Authority	Drug Screening Service	18,541
West Lambeth Health Authority	Word Processor for Drug Dependency Service	5,000
Brighton Health Authority	Drug Screening Service	12,023
Lewisham and North Southwark Health Authority	Drug Screening Analytical Equipment	20,551
The Bethlem Royal Hospital, The Maudsley Hospital	Drug Screening Equipment	8,700
Greenwich Health Authority	Drug Screening Equipment	25,995
South West Thames Region		
Mid-Downs Health Authority	Counselling, treatment and education service	55,833
Kingston and Esher Health Authority	Extension of existing services (ie additional staff) at walk-in clinic	24,600
Wandsworth Health Authority	Multi-Disciplinary Team	181,812
Mid Surrey Health Authority	Drug Screening Equipment	37,003
Wessex Region		
Portsmouth and South East Hampshire Health Authority	Community Treatment Day Centre	142,077
Isle of Wight Health Authority	Walk-in Centre	95,590
East Dorset Health Authority	Drug Screening Service	18,700
East Dorset Health Authority	Staffing	77,406
Oxford Region		
Oxford Regional Health Authority	Outreach work and prevalence study	38,400
South Western Region		
Frenchay Health Authority	Drug Treatment Centre—Bristol	149,000
North Devon Health Authority	Drug Resources Co-ordinator/Manager	51,936
West Midlands Region		
Shropshire Health Authority	Self-Referral Walk-in Counselling Service	133,139
Worcester and District Health Authority	Drug Problem Team	80,500
West Birmingham Health Authority	Nurse Training Course	48,293
Walsall Health Authority	Advisory and Follow-up Service and Assessment of District Needs	106,450
Wolverhampton Health Authority	New Treatment Clinic	31,616
Coventry Health Authority	Drug Problem Team	119,665
Mid-Staffordshire Health Authority	Drug Screening Equipment	3,450
Mersey Region		
Mersey Regional Health Authority	Out-patient Clinic for Drug Dependency in Liverpool	541,825
Mersey Regional Health Authority	Micro-computor for Drug Dependency Unit	7,900
Halton Health Authority	Strengthening of existing Out Patient Clinic	74,357
Wirral Health Authority	New Detoxification and Withdrawal Unit	109,173
North Western Region		
North Western Regional Health Authority	Strengthening of existing Regional Service	190,992
North Western Regional Health Authority	Nurse Training Course	109,851
Lancaster Health Authority	Information gathering—assessment of District needs	34,000
Bolton Health Authority	Counselling, assessment and rehabilitation service	158,300
	LOCAL AUTHORITIES	
London Boroughs Training Committee	Development of training courses	152,050
Wiltshire County Council	Training course for social work staff	1,200
	VOLUNTARY ORGANISATIONS	
Alpha House	Fire Precautions, Kitchen Improvements	6,500
Barnet Borough Voluntary Service Council	Non-Residential Community Support Programme	134,572
Blenheim Project	Street Agency—Equipment—West London	8,464
Bournemouth Project	Meta House (Short stay Rehabilitation Service)—improvement of existing facilities	38,500
Bradford Independent Drug Guidance (BRIDGE Project)	Advisory, Counselling and Referral Service	137,207

	Description of project	£
City Roads (Crisis Intervention)	Short Stay Residential Unit Furniture and Equipment—Central London	13,945
Coke Hole Trust	Rehabilitation Services—Equipment and Minibus—Hampshire	14,565
Community Drug Project	Street Agency—removal expenses to new premises—South London	8,885
	Youth Worker and Training and Development Worker	94,467
East Dorset Drug Advisory Service	Information/Administration Centre	73,867
Elizabeth House Association	Rehabilitation Services—Equipment—West London	3,380
Esher Association for the Prevention of Addiction	Advisory/Education Service	79,339
	Equipment	4,352
	Strengthening of existing rehabilitation services	7,432
	Rehabilitation Services—Furnishings and Equipment	7,768
Fulham Connection	Equipment	369
Hertfordshire and Bedfordshire Standing Conference on Drug Mis-Use	Advisory and Counselling Service	51,239
Institute for the Study of Drug Dependence	National Library and Information Service—Purchase of New Premises	272,815
	Equipment and production of education leaflet	175,513
Kaleidoscope Project	Education Unit	30,000
Leatherhead and District Association for the Prevention of Addiction	Expansion of existing counselling/education/monitoring of prevalence	8,401
Ley Community	Residentual Rehabilitation—Oxfordshire	152,872
	Rehabilitation Service—Minibus—Oxfordshire	4,900
Lifeline Project	Training Development Unit—Manchester	118,534
Merseyside Drugs Council	Counselling/Advisory/Development Services—Wirral	71,274
	Counselling/Advisory/Development Services—St. Helens	62,023
NACRO	Training Development Unit—South West England	116,844
	Equipment for Training Course—North East England	3,030
Newcastle Association for Mental Health	Tranquilliser Support Project	96,213
Nucleus	Information Gathering—West London	69,958
Operation Concern	Yeldall Manor Rehabilitation Service—Upgrading of Building—Reading	53,000
	Yeldall Manor Rehabilitation Service—Micro-Computer and Minibus—Reading	36,637
Phoenix House	Rehabilitation Service—Sheffield	214,931
	Re-Entry House—Furniture and Equipment—Sheffield	12,000
	Rehabilitation Service—Furniture and Equipment—South London	12,837
	Residential Rehabilitation House—South Tyneside	273,419
	Rehabilitation Service—South London	3,444
Standing Conference on Drug Abuse	National Resource Agency and Advisory Service—Equipment	8,263
Stevenage Drug Liason Group	Advisory, Support and Out-Reach Service	59,413
TRANX	Self-Help-Group—Tranquilliser Misuse—Harrow	89,183
TRANX Release (Northampton)	Advisory and Self-Help Service—Tranquilliser Misuse	29,892
Turning Point	Birmingham Drugline—Telephone Advice Service	95,894
	Sheffield Drugline—Telephone Advice Service	97,817
	West Midlands Development Project—Initiation of low-cost volunteer-run counselling services	50,620
	Hungerford Drug Project Training Package—Central London	53,169
	ROMA Rehabiiitation Service—Upgrading of building—Hammersmith	184,000
	Equipment for Workers Evaluating Existing Turning Point Initiative Projects	9,668
	Suffolk House Rehabilitation Service Repairs—Slough	4,204
West Cumbria MIND (Copeland)	Self-Help Group and other Services—Tranquilliser Misuse	85,442
Inward House*	Expansion of existing rehabilitation service—Lancaster	32,560

* A grant was made to this organisation—but it was not taken up.

Mr. Lawler asked the Secretary of State for Social Services how much central funding to support initiatives concerned with drug abuse was applied for by the Bradford district health authority; and when these funds will be made available.

Mr. John Patten: Bradford health authority has applied for funds under the central funding initiative for a toxicological screening service, a senior health education officer and a nurse to undertake a liaison/education and research role. The total value of the bids is £162,500. The toxicological screening service will be approved shortly; the other proposals are under consideration.

Hospital Telephones

Mr. Golding asked the Secretary of State for Social Services what steps he will take to ensure that all telephones, including patients' trolley telephones, in National Health Service hospitals can be used by people who wear hearing aids.

Mr. Newton: We agree that this is a desirable objective, and we are considering appropriate ways of bringing the matter to the attention of health authorities.

Heating Addition

Ms. Clare Short asked the Secretary of State for Social Services (1) what number and percentage of supplementary benefit claimants are receiving central heating addition nationally and in the west midlands;

(2) what number and percentage of supplementary benefit claimants are receiving the higher central heating addition nationally and in the west midlands;

(3) what number and percentage of supplementary benefit claimants are receiving heating additions on the grounds of *(a)* ill health and *(b)* old age nationally and in the west midlands.

Mr. Pike asked the Secretary of State for Social Services (1) what number and percentage of supplementary benefit claimants in Lancashire are receiving central heating addition;

(2) what number and percentage of supplementary benefit claimants are receiving the higher central heating addition;

(3) what number and percentage of supplementary benefit claimants in Lancashire are receiving heating addition on grounds of *(a)* ill health and *(b)* old age.

Mr. Whitney: Available information on claimants receiving these heating additions in December 1983 is as follows. It is not possible to identify the number of claimants receiving a heating addition on grounds of ill health. Information on heating additions is not available separately for claimants in the west midlands or Lancashire.

	Number (thousands)	*Percentage of all Supplementary Benefit claimants*
Central heating additions		
Total	1,010	23
Higher rate only	562	13
Age related heating additions		
Pensioners	258	6

Source: Annual Statistical Enquiry 1983.

Ms. Clare Short asked the Secretary of State for Social Services if he has consulted the fuel boards on the implications of abolishing central heating addition.

Mr. Newton: The proposal announced by my right hon. Friend on 18 June was that existing recipients of central heating additions would continue to receive them whilst they remained on supplementary benefit (and entitled to the additions under the present rules), but that no further awards would be made with effect from 5 August. We have not consulted the fuel industries about this proposal.

Board and Lodging Regulations

Mr. Colin Shepherd asked the Secretary of State for Social Services how many young people, who would currently fit into the category covered by the board and lodging regulations as being between 19 and 26 years old and fit, were in receipt of board and lodging allowance in the Hereford DHSS area on 1 April in each of the years 1979 to 1985 inclusive.

Mr. Whitney: The information requested is not available and could be obtained only at disproportionate cost.

Board and Lodging Establishments

Mr. Allan Roberts asked the Secretary of State for Social Services what information he has as to the number of landlords of ordinary board and lodgings establishments, excluding registered hostels, which were providing accommodation for supplementary benefit claimants at the time when he laid the Supplementary Benefit (Requirements and Resources) Miscellaneous Provisions Regulations 1985 before the House; and if he will give this information for Great Britain as a whole, for England, Wales and Scotland, and for each Department of Health and Social Security region.

Mr. Whitney: Information in the form requested is not collected centrally and could be obtained only at disproportionate cost.

NHS Staff (Pay)

Sir Dudley Smith asked the Secretary of State for Social Services which categories of employees in the National Health Service are paid for periods when they are away from their place of work, but on call and who subsequently get summoned for emergency work; and which categories are not so paid.

Mr. John Patten: All staff in the categories in list A are eligible for such pay; certain staff in list B are also eligible; staff in the categories in list C are ineligible:

A
Ancillary
Ambulance
Maintenance
Professions Supplementary to Medicine
Speech therapists
Technicians

B
Administrative and Clerical
Community doctors
Hospital medical and dental
Nursing and midwifery
Works

C
Clinical psychologists
Community dentists
Dental ancillaries
Hospital chaplains
Opticians
Pharmacists
Scientists

Pharmacists (Pay)

Sir Dudley Smith asked the Secretary of State for Social Services what representations he has received advocating the establishment of a system whereby pharmacists who are on call outside normal working hours are remunerated for the times they respond to a request for their services; and if he will make a statement.

Mr. John Patten: We have received representations in different forms, but the subject is a matter for negotiation on the appropriate Whitley council. Under present agreements, any hospital pharmacist working more than his conditioned hours is entitled to take time off in lieu; one who is required to work on Sundays and public holidays is entitled to a special duty payment.

Students (Income Support)

Mrs Beckett asked the Secretary of State for Social Services if it is the Government's intention that students should be barred from basic income support.

Mr. Newton: We have made clear in the Green Paper, "Reform of Social Security" (Cmnd. 9517), our belief that students should not be supported simultaneously by the grants system and by social security, and our preference is for a situation in which they are maintained through grants, their own vacation earnings and support from their families. How it might be possible to move towards such a situation will be considered further in the light of consultations on the Government's forthcoming consultative paper on student support.

Hospital Hygiene

Sir Anthony Grant asked the Secretary of State for Social Services what was the number of times that wards for operating theatres of National Health Service hospitals have had to be closed through lack of hygiene over the last 10 years; and if he will list the hospitals and health authorities concerned.

Mr. John Patten: We do not collect centrally the information requested.

Social Security Review

Mr. Frank Field asked the Secretary of State for Social Services if, when he publishes the details, he will make it his policy to clarify the likely gainers and losers in the proposals outlined in the review of social security according to whether the claimants are *(a)* above or below retirement age and *(b)* are or are not responsible for children.

Mr. Newton: I refer the hon. Member to the reply given by my right hon. Friend the Prime Minister to the hon. Member for Dunfermline, East (Mr. Brown) at columns *92-3* on 18 June.

Mr. Forman asked the Secretary of State for Social Services if under 16-year-old mothers will be entitled to the new maternity grant proposed in the Green Paper on the reform of social security.

Mr. Newton: We shall consider the entitlement of mothers under age 16 as we develop our proposals for the social fund. Our guiding principle will remain our desire to concentrate help on low income families.

Limited List Prescribing

Sir Dudley Smith asked the Secretary of State for Social Services what efforts he is making to improve his Department's relationship with the pharmaceutical industry following the limited list controversy; and if he will make a statement.

Mr. Kenneth Clarke: We continue to seek to achieve a fair balance in the public interest between the needs of the National Health Service as a customer and the pharmaceutical industry as a contributor to the national economy and major employer. We have acknowledged the industry's desire for a period of stability in its relations with the Government. We expect shortly to begin discussions on the extension or renegotiation of the pharmaceutical price regulation scheme. We are currently consulting the industry on the permanent arrangements for obtaining advice to review and keep up to date the selected list of medicines for the National Health Service.

Mentally Ill and Handicapped People

Mr. David Atkinson asked the Secretary of State for Social Services when he expects to reply to the report of the Social Services Committee on care of the adult mentally ill and handicapped in the community.

Mr. John Patten: I refer my hon. Friend to my reply to my hon. Friend the Member for Eastleigh (Sir D. Price) on 25 June at column *378*.

Blind and Visually Handicapped People

Mr. Alfred Morris asked the Secretary of State for Social Services (1) how many mobility officers for the blind were employed by local authorities during each of the last five years for which figures are available; how many blind or visually handicapped people were trained or supported in each of these years; and what is the ratio of mobility officers to blind or visually handicapped people registered with each local authority;

(2) what information he has as to how many local authorities provide community-based rehabilitation services, including courses, for blind and visually handicapped people; and what percentage of visually handicapped people aged over 65 years use these services;

(3) if, following the publication of the Royal National Institute for the Blind of the survey on local authority rehabilitation services to visually handicapped people, he will take steps to ensure *(a)* greater consistency of high level provision of services to visually handicapped people between and within local authorities, *(b)* a higher visual handicap specialist to client ratio, *(c)* a greater range of community-based rehabilitation services and aids to visually handicapped people, including specialist counselling where appropriate, *(d)* an improved registration and assessment process for newly visually handicapped people and *(e)* a higher input on the needs of, and services for, visually handicapped people in social work training courses.

Mr. Newton: The Department does not collect information on the numbers of specialist staff employed by local authorities in the visual handicap field, nor on the content of rehabilitation provision made locally for various client groups.

However, in order to increase our knowledge of provision made for visual handicap, the Department has undertaken a fact-finding exercise to gather information from health, social services and voluntary agencies in several areas around the country. Many of the problems highlighted in the valuable report published by the RNIB also emerged from this exercise. We are currently looking at the findings of the exercise, and will certainly take the RNIB report into account in considering how improvements in service provision for visually handicapped people could best be encouraged.

Mr. Alfred Morris asked the Secretary of State for Social Services what advice and information his Department gives local authorities about ensuring that elderly, visually handicapped people are given the same access to services as younger people.

Mr. Newton: Local authorities are well aware of their statutory powers and responsibilities with regard to younger as well as older people with visual handicap. It is for them to decide how best to arrange provision locally to cater for the various needs of different age groups.

Mr. Alfred Morris asked the Secretary of State for Social Services what information he has as to how many local authorities automatically register blind or visually handicapped people of whom they are aware without their specific consent; and what guidance his Department provides about obtaining consent prior to registration.

Mr. Newton: Information about registration practice in individual local authorities is not collected centrally. Guidance contained in local authority circular 17/74 clearly states that assistance provided under section 29 of the National Assistance Act 1948 as extended by section 2 of the Chronically Sick and Disabled Persons Act 1970 is not dependent upon registration; that a person's wish not to be formally registered must be respected; and that such assistance should not be withheld on that account.

Drug Rehabilitation Centres

Mr. Hancock asked the Secretary of State for Social Services how many drug drop-in centres and drug rehabilitation centres have been opened in the last six years.

Mr. John Patten: The information requested is not held centrally. However, rehabilitation centres known to the Department are listed in "Drug Misuse: Prevalence and Service Provision", (DHSS, June 1985), a copy of which is in the Library.

NORTHERN IRELAND

Housing Executive (Contracts)

Mr. Beggs asked the Secretary of State for Northern Ireland if he will list dates of appointment and name consultants to whom contracts have been allocated by the Northern Ireland Housing Executive in each of the last three financial years.

Mr. Chris Patten: This is a matter for the chairman of the Housing Executive, who has advised me that this information is not available and could be obtained only at disproportionate cost.

Mr. Beggs asked the Secretary of State for Northern Ireland if he will list contractors to whom the Northern Ireland Housing Executive contracts have been allocated, and the date and value of contracts awarded in each of the last three financial years.

Mr. Chris Patten: This is a matter for the chairman of the Housing Executive, who has advised me that information in the form requested is not readily available and could be compiled only at disproportionate cost.

Mr. Beggs asked the Secretary of State for Northern Ireland how many contractors have been suspended from the Northern Ireland Housing Executive approved list in each of the last three financial years.

Mr. Chris Patten: This is a matter for the chairman of the Housing Executive, who has advised me that the information is as follows:

Year	*Number*
1982-83	88
1983-84	197
1984-85	727

Larne-Belfast T9 Route

Mr. Beggs asked the Secretary of State for Northern Ireland what were the dates and times during which road traffic surveys were carried out on the Larne-Belfast road route T9 in each of the last five years for which records are available; and what were the results in each case.

Mr. Chris Patten: The information for the four census points on the Larne-Belfast road, T9 is as follows:

Larne-Belfast Road Route T9—Road Traffic Survey, Biennial Census

	Census Point No 6A (Larne side of Corrs Corner)	*Census Point No 32A (Belfast side of Junction with A57)*	*Census Point No 33A (Belfast side of Junction with A36)*	*Census Point No 33C (Larne side of Junction with A36)*
Thursday 12 August 1976 0700-2300	6,924	4,157	7,614	9,605
Friday 13 August 1976 0700-2300	7,237	4,341	8,028	10,105
Thursday 17 August 1978 0700-2300	8,468	5,295	9,075	10,810
Friday 18 August 1978 0700-2300	8,322	5,345	9,433	11,527
Thursday 7 August 1980 0700-2300	8,467	5,337	8,680	10,712
Friday 8 August 1980 0700-2300	8,723	5,625	9,646	11,539
Thursday 12 August 1982 0700-2300	8,509	5,274	8,611	9,579
Friday 13 August 1982 0700-2300	9,122	5,850	9,523	10,884
Thursday 9 August 1984 0700-2300	8,561	5,563	9,516	11,559
Thursday 10 August 1984 0700-2300	9,041	6,056	10,258	12,562

Mr. Beggs asked the Secretary of State for Northern Ireland if he will make a statement on the involvement of his Department and of the European Economic Community in the future upgrading of the Larne-Belfast T9 route.

Mr. Chris Patten: The Department has no proposal to upgrade the Larne-Belfast T9 route.

Children in Care

Mr. Peter Robinson asked the Secretary of State for Northern Ireland (1) how many complaints received from children in care or their parents in each of the health and social services board areas in each of the last five years have been substantiated;

(2) how many complaints have been received from children in care or their parents in each of the health and social services board areas in each of the last five years.

Mr. Chris Patten: The term "children in care" includes not only children accommodated in residential homes, but also those boarded out with foster parents and those living with a parent, relative or guardian under "home on trial" arrangements and so on. Information about complaints made by children or their parents in

relation to all these forms of care is not readily available and could be obtained only at disproportionate cost. The available information is as follows. Two complaints are still under investigation.

Complaints made by Children in Care or their Parents

	Health and Social Services Board			
	Eastern board	Northern board	Southern board	Western board
1980				
Number made	N/A	†4	—	—
Number substantiated	N/A	1	—	—
1981				
Number made	N/A	†7	*4	†1
Number substantiated	N/A	2	—	—
1982				
Number made	N/A	†10	*4	—
Number substantiated	N/A	4	1	—
1983				
Number made	N/A	†4	*5	†6
Number substantiated	N/A	2	1	4
1984				
Number made	*14	†14	*6	†6
Number substantiated	3	5	2	3

* residential care only
† residential care and foster care

Children's Homes (Staff)

Mr. Peter Robinson asked the Secretary of State for Northern Ireland how many members of staff have been dismissed from children's homes in each of the health and social service board areas during the last five years as a result of complaints being received.

Mr. Chris Patten: The information in respect of statutory and voluntary children's homes is as follows:

Board area	Number
Eastern	12
Northern	1
Southern	3
Western	nil

Ballyhalbert and Cloughey (Housing)

Mr. John David Taylor asked the Secretary of State for Northern Ireland how many houses the Northern Ireland Housing Executive have at Ballyhalbert and Cloughey; what is the present waiting list at each of these locations; and what is the Northern Ireland Housing Executive's future building programme at each of these locations.

Mr. Chris Patten: This is a matter for the chairman of the Housing Executive, who has advised me that the information is as follows:

	Number of houses	*Waiting list
Ballyhalbert	27	5
Cloughey	49	5

* As at 20 June 1985.

The future building programme, which has regard to the priority and urgent need categories within total waiting lists, as well as to factors such as annual re-lets is:

Ballyhalbert —5 dwellings planned to start in December 1985
Cloughey —Nil.

Energy Act 1983

Mr. Beggs asked the Secretary of State for Northern Ireland when he plans to bring into force the Energy Act 1983 in Northern Ireland.

Dr. Boyson: Legislation is being prepared for Northern Ireland based broadly on the Energy Act 1983, and it is hoped that a proposal will be published later in the financial year. Meanwhile, the Northern Ireland Electricity Service will continue to treat the provisions of the Energy Act as a code of practice in dealing with proposals from small private generators of electricity.

Labour Statistics

Mr. Hume asked the Secretary of State for Northern Ireland what is the total number of unemployed in Northern Ireland, by electoral ward, local government district and parliamentary constituency.

Dr. Boyson: The numbers of unemployed claimants in each local government district and parliamentary constituency in Northern Ireland at 9 May 1985 are as follows. As there are over 500 electoral wards in Northern Ireland, I shall write to the hon. Gentleman giving May unemployment figures for each electoral ward.

Numbers of unemployed claimants by local government district in Northern Ireland at 9 May 1985*

District council area	Male	Female	Total
Antrim	2,443	899	3,342
Ards	1,995	1,079	3,074
Armagh	2,456	1,105	3,561
Ballymena	2,064	919	2,983
Ballymoney	1,268	344	1,612
Banbridge	1,060	559	1,619
Belfast	22,619	7,456	30,075
Carrickfergus	1,465	737	2,202
Castlereagh	1,892	957	2,849
Coleraine	2,714	985	3,699
Cookstown	1,835	751	2,586
Craigavon	4,135	1,700	5,835
Derry	7,886	1,981	9,867
Down	1,967	947	2,914
Dungannon	2,715	1,055	3,770
Fermanagh	3,126	1,040	4,166
Larne	1,567	699	2,266
Limavady	1,933	546	2,479
Lisburn	3,795	1,818	5,613
Magherafelt	1,951	764	2,715
Moyle	1,036	300	1,336
Newry & Mourne	5,324	1,965	7,289
Newtownabbey	3,443	1,605	5,048
North Down	1,768	1,162	2,930
Omagh	2,336	883	3,219
Strabane	3,156	717	3,873
NI Totals	87,949	32,973	120,922

* The figures are based on district council boundaries as established by the Local Government (Boundaries) Order (Northern Ireland) 1972.

Numbers of unemployed claimants by parliamentary constituency in Northern Ireland at 9 May 1985

Parliamentary constituency	Male	Female	Total
Belfast East	3,157	1,321	4,478
Belfast North	6,409	2,129	8,538
Belfast South	3,781	1,643	5,424
Belfast West	9,649	2,515	12,164
East Antrim	4,756	2,093	6,849
East Londonderry	6,210	2,132	8,342

Parliamentary constituency	Male	Female	Total
Fermanagh & South Tyrone	5,841	2,095	7,936
Foyle	9,542	2,360	11,902
Lagan Valley	3,911	1,875	5,786
Mid-Ulster	6,059	2,135	8,194
Newry & Armagh	6,104	2,294	8,398
North Antrim	4,368	1,563	5,931
North Down	2,612	1,490	4,102
South Antrim	4,162	1,847	6,009
South Down	4,093	1,943	6,036
Strangford	2,550	1,499	4,049
Upper Bann	4,745	2,039	6,784
NI Totals	87,949	32,973	120,922

Social Security Offices

Mr. Hume asked the Secretary of State for Northern Ireland if he will make a statement detailing which local government wards are served by each of Northern Ireland's social security offices.

Mr. Chris Patten: I refer the hon. Gentleman to the reply I gave him on 28 March, at column 135.

Supplementary Benefit

Mr. Hume asked the Secretary of State for Northern Ireland if he will make a statement detailing the number of people claiming supplementary benefit, indicating the number of allowances and pensions at each of Northern Ireland's social security offices.

Mr. Chris Patten: The information as at 7 May 1985 is as follows:

Social Security Office	Allowances	Pensions	Total
Andersonstown	5,745	956	6,701
Antrim	4,819	1,347	6,166
Armagh	3,129	1,562	4,691
Ballymena	3,635	1,759	5,394
Ballymoney	2,973	1,334	4,307
Ballynahinch	738	499	1,237
Banbridge	1,968	1,191	3,159
Bangor	2,562	1,774	4,336
Carrickfergus	2,106	763	2,869
Coleraine	4,053	1,573	5,626
Cookstown	2,303	1,005	3,308
Corporation Street	8,446	2,725	11,171
Downpatrick	1,302	773	2,075
Dungannon	3,847	1,783	5,630
Enniskillen	4,784	3,035	7,819
Falls Road	7,274	1,709	8,983
Holywood Road	5,324	2,809	8,133
Kilkeel	814	475	1,289
Knockbreda	3,459	2,711	6,170
Larne	2,107	728	2,835
Limavady	2,323	770	3,093
Lisburn	3,937	2,065	6,002
Londonderry	11,307	2,975	14,282
Lurgan	4,055	1,491	5,546
Magherafelt	2,946	1,504	4,450
Newcastle	1,111	581	1,692
Newry	6,457	2,618	9,075
Newtownabbey	4,251	1,594	5,845
Newtownards	2,492	1,500	3,992
Omagh	3,526	1,614	5,140
Portadown	2,267	1,328	3,595
Shaftesbury Square	4,265	1,842	6,107
Shankill	3,730	1,750	5,480
Strabane	4,289	1,646	5,935
Total	128,344	53,789	182,133

Mr. Hume asked the Secretary of State for Northern Ireland what figures are available to indicate by convenient geographic units the number of students or trainees in Northern Ireland who are receiving supplementary benefit.

Mr. Chris Patten: This information is not readily available and could be obtained only at disproportionate cost.

Mr. Hume asked the Secretary of State for Northern Ireland what figures are available to indicate, in total and by each social security office, the number of claimants receiving supplementary allowances in Northern Ireland who are not required to be available for work.

Mr. Chris Patten: The information as at 7 May 1985 is as follows:

	Number
Andersonstown	1,509
Antrim	1,124
Armagh	780
Ballymena	1,161
Ballymoney	838
Ballynahinch	251
Banbridge	602
Bangor	861
Carrickfergus	594
Coleraine	1,175
Cookstown	554
Corporation Street	2,218
Downpatrick	303
Dungannon	948
Enniskillen	1,396
Falls Road	2,009
Holywood Road	1,449
Kilkeel	250
Knockbreda	1,001
Larne	562
Limavady	506
Lisburn	1,130
Londonderry	2,868
Lurgan	1,175
Magherafelt	692
Newcastle	295
Newry	1,562
Newtownabbey	1,183
Newtownards	779
Omagh	1,046
Portadown	719
Shaftesbury Square	1,032
Shankill	1,124
Strabane	1,135
TOTAL	34,831

Unemployment Benefit

Mr. Hume asked the Secretary of State for Northern Ireland if he will make a statement detailing the numbers of people claiming unemployment benefit at each of Northern Ireland's social security offices who are not also receiving supplementary benefit.

Mr. Chris Patten: Estimates of the numbers receiving unemployment benefit only, on 8 November 1984, the latest convenient date, were as follows:

	Number
Andersontown	510
Antrim	870
Armagh	685
Ballymena	740
Ballymoney	430

	Number
Ballynahinch	210
Banbridge	495
Bangor	770
Corporation Street	985
Carrickfergus	655
Coleraine	805
Cookstown	360
Downpatrick	280
Dungannon	480
Enniskillen	720
Falls Road	550
Holywood Road	1,125
Kilkeel	265
Knockbreda	820
Larne	355
Limavady	365
Lisburn	1,120
Londonderry	1,275
Lurgan	695
Magherafelt	435
Newcastle	195
Newry	850
Newtonabbey	1,250
Newtownards	825
Omagh	585
Portadown	710
Shaftesbury Square	780
Shankill	740
Strabane	385
TOTAL	22,320

Youth Training

Mr. Hume asked the Secretary of State for Northern Ireland what figures are available to indicate, by convenient geographical unit, the number of young people currently engaged with the youth training programme in Northern Ireland.

Dr. Boyson: On 31 May 1985 there were 7,236 young people in full-time training schemes under the youth training programme, as follows.

Jobmarket area	*Number*
Antrim	140
Armagh	123
Ballymena	349
Ballymoney	117
Ballynahinch	1
Banbridge	53
Bangor	178
Belfast	2,698
Carrickfergus	75
Coleraine	211
Cookstown	49
Downpatrick	147
Dungannon	151
Enniskillen	151
Kilkeel	6
Larne	154
Limavady	77
Lisburn	303
Londonderry	835
Lurgan	210
Magherafelt	102
Newcastle	48
Newry	459
Newtownards	27
Omagh	168
Portadown	311
Strabane	93
TOTAL	7,235

In addition, approximately 3,700 young employees were receiving training under youth traing programme workschemes and 450 under the skill training scheme. A geographical breakdown of these figures is not available.

EMPLOYMENT

Employment Prospects (Merseyside)

Mr. Parry asked the Secretary of State for Employment if he will make a statement on the current employment prospects on Merseyside.

Mr. Alan Clark: The Government are committed to maintaing their economic policies, which are directed at holding down inflation and public borrowing while encouraging enterprise, flexibility and competitiveness in industry and the labour market. That is the only way to generate lasting jobs on Merseyside and elsewhere. In the meantime, we are spending over £2 billion this year on a range of employment and training measures, two of which — the youth training scheme and the community programme — are to be considerably expanded. Over 20,000 people on Merseyside are currently benefiting from these measures.

Jobcentres (Older Applicants)

Sir Dudley Smith asked the Secretary of State for Employment if he will consult the chairman of the Manpower Services Commission with a view to his instructing jobcentre staffs that they are not to discourage applicants on the ground that they are too old at 45 or 50 years for consideration.

Mr. Peter Morrison: Jobcentre staff are instructed to question the need for apparently unnecessary age limits imposed by employers and to encourage them to consider a wider range of applicants, pointing to the experience and reliability of many older jobseekers. Where, however, employers insist on upper age limits the jobcentre staff will advise older jobseekers not to apply.

Trade Unions

Mr. Willie W. Hamilton asked the Secretary of State for Employment if he has any plans to introduce further legislation on trade unions.

Mr. Peter Bottomley: The first three steps in our programme of legislative reform have gone a considerable way towards promoting a more responsible approach towards industrial relations and making trade unions more accountable to their members. More remains to be done, particularly in guaranteeing proper and effective rights to union members.

Labour Statistics

Dr. Glyn asked the Secretary of State for Employment what are the latest available figures for the total number of people *(a)* available for employment and *(b)* actually in work.

Mr. Alan Clark: In December 1984, the latest date for which information is available, the working population of the United Kingdom, that is the employed labour force plus the unemployed, was estimated as 27,404,000; of

which the employed labour force (employees in employment plus the self-employed plus Her Majesty's forces) was estimated to be 24,185,000.

Mr. Hancock asked the Secretary of State for Employment how many unemployed *(a)* adults and *(b)* young people aged between 16 and 21 years there were for evey job vacancy registered in the county of Hampshire and Portsmouth at the latest available date.

Mr. Alan Clark: The following information is in the Library. Table 1 shows the most recent available unemployment statistics for adults and young people. Figures are not available for the 16 to 21-year age group. Table 2 shows the number of unfilled vacancies at the Portsmouth jobcentre and careers office, and those at the jobcentres and careers offices which closely correspond to the county of Hampshire. Figures for vacancies at jobcentres and careers offices cannot be added together because some vacancies are notified to both offices at jobcentres are normally open to persons of all ages. Because of the differences in the bases of the unemployment and vacancy figures, accurate ratios of unemployed to vacancies cannot be calculated.

Table 1 Unemployment by age—11 April 1985

	Age under 20 years	*Age 20 years and over*
Portsmouth local authority district	1,916	9,498
Hampshire	9,655	50,927

Table 2 Unfilled vacancies—29 March 1985

	Careers offices	*Jobcentres*
Portsmouth	43	224
Hampshire	430	3,392

Glanford and Scunthorpe

Mr. Hickmet asked the Secretary of State for Employment if he will describe the nature of assistance rendered by his Department to Glanford and Scunthorpe parliamentary constituency since June 1983 in the form of employment, training and other schemes, describing the nature of the schemes, the numbers of people affected in each case and the sums of money allocated under each scheme and in total.

Mr. Peter Morrison: All our employment and training measures are available to people living in the Glanford and Scunthorpe parliamentary constituency. Some 25,000 of them are estimated to have been helped since June 1983, although because of the various bases on which local information is collated an unknown proportion will live in areas outside my hon. Friend's constituency. The relevant measures are:

The youth training scheme, which improves young people's preparation for work by providing 16-year-old school leavers and unemployed 17-year-old school leavers with a year's integrated training and work experience.

The community programme, which provides a year's employment on projects of benefit to local communities, for the long-term unemployed.

Community industry, which provides temporary job opportunities for personally and socially disadvantaged young people.

The adult training programme which embraces a range of training provisions in which resources are increasingly concentrated on intensive courses tailored directly to employers' needs and on updating existing skills rather than on more speculative training with uncertain job prospects.

The young workers scheme, which encourages employers to provide more full-time permanent jobs for young people under 18 at wages which realistically reflect their youth and inexperience.

The job splitting scheme, which supports with a grant employers who split a full-time job or alternatively combine regular overtime hours into a part-time job and take on an unemployed person into the part-time vacancy; or who creates two new part-time jobs for those leaving the youth training scheme or certain other Government schemes.

The job release scheme enables older workers to retire early with an allowance until they qualify for the state pension, provided that their employer replaces them with an unemployed person.

The part-time job release scheme introduced in October 1983 now provides a further option, for people to part-retire early by giving up part of their job in return for an allowance—and a part-time worker to be taken on.

The enterprise allowance scheme, which helps unemployed people start their own business by providing an allowance of £40 per week for a year. The allowance helps compensate for the loss of income when unemployment or supplementary benefit payments cease.

The Department also ran the temporary short-time working compensation scheme until March 1984. This encouraged employers to adopt short-time working as an alternative to redundancies.

Total numbers covered and the money allocated under each scheme are as follows:

	1983-84 outturn £ million	*Numbers*	*1984-85 provisional outturn £ million*	*Numbers*	*1985-86 estimated £ million*	*Forecast numbers*
Youth training scheme	380·5	370,000	773·4	390,000	781	384,000
Community programme	393·8	134,400	524·2	161,450	714	212,000
Community industry	23·6	9,600	23·9	9,550	25·2	9,800
Adult training programme	248·7	109,850	256·8	131,800	263·2	220,000
Young workers scheme	58·3	129,540	41·3	66,180	32	52,600
Job splitting scheme	0·3	656	0·2	260	6·6	6,000
Job release schemes	258·2	95,280	280·4	70,000	201·6	51,000
Enterprise allowance scheme	23·2	28,000	77	46,000	111	65,000
Voluntary projects programme	5·5	36,000	9·3	63,000	12	70,000
Temporary short-time working compensation scheme	27·2	16,000	6·1	6,000		
TOTAL	1,419·3	929,326	1,992·6	944,240	2,146·6	1,070,400

Notes:

1. The outturn figures are programme expenditure only (ie they do not include administration).

2. The numbers for community industry are for only young people (that is excluding supervisors).
3. The numbers for the job release schemes are coverage at year end.
4. The numbers for community programme and community industry are entrants.

Youth Training Scheme

Mr. Hancock asked the Secretary of State for Employment if he will list the numbers on youth training schemes in Portsmouth at the latest available date; and if he will give a breakdown of the ethnic origin of those accepted on such schemes in the last year.

Mr. Peter Morrison: There were 1,022 young people in training on the youth training scheme in the Portsmouth local authority district at the end of May. Information on entrants to the scheme in the area in 1984-85 is given in the table:

Ethnic origin	*Entrants*
White-European	1,679
African-West Indian	1
Asian	6
Others	11
TOTAL	1,697

Enterprise Allowance Scheme

Mr. Hancock asked the Secretary of State for Employment how many people in Portsmouth and Hampshire are currently in receipt of enterprise allowance; and how many people in each area have completed one year on the scheme.

Mr. Alan Clark: 1,112 people are currently in receipt of the enterprise allowance in the Hampshire and Isle of Wight area and 535 people have completed one year on the scheme. No separate figures are available for the Portsmouth area.

Industrial Air Pollution Inspectorate

Mr. Hancock asked the Secretary of State for Employment how many people are employed by Her Majesty's Industrial Air Pollution Inspectorate; and how many were so employed in each of the last five years.

Mr. Peter Bottomley: The figures are:

Number of staff in Her Majesty's Industrial Air Pollution Inspectorate

1 June	*Inspectors*	*Support Staff*
1980	47	24
1981	46	22
1982	45	20
1983	41	12
1984	40	13
1985	42	12

The drop in the number of support staff between 1982 and 1983 was caused by the transfer of staff from the inspectorate's sampling teams to the Health and Safety Executive's research and laboratory services division. They now form part of the field scientific support units which provide scientific and analytical services to the Industrial Air Pollution Inspectorate and other parts of the executive.

Written Answers to Questions

Wednesday 3 July 1985

WALES

Labour Statistics

Mr. Corbyn asked the Secretary of State for Wales what has been the level of female unemployment in Brecon in each year since 1979.

Mr. Nicholas Edwards: Following is the information in respect of the former Brecon travel to work area.

			Percentage
May 1979	Registrant based	96	3·0
May 1980		108	3·4
May 1981		146	4·5
May 1982		175	5·4
May 1983	Claimant based	171	5·3
May 1984		202	6·3

The travel to work area boundaries were changed in November 1984. The figure for the new Brecon travel to work area in May 1985 was:

240 6·8

Mr. Parry asked the Secretary of State for Wales what were the latest unemployment figures for north Wales; and what were the comparative figures for July 1979.

Mr. Nicholas Edwards: For the purpose of this answer north Wales is defined as the counties for Clwyd and Gwynedd. On 9 May 1985 there were 38,003 unemployed claimants in north Wales. There is no directly comparable figure for July 1979 at which date the registrant based figure was 19,396.

EDUCATION AND SCIENCE

Choir Schools

Mr. Greenway asked the Secretary of State for Education and Science what subsidy his Department pays to choir schools; and if he will make a statement.

Mr. Dunn: The Department pays no subsidy to choir schools, though, as some of these schools participate in the assisted place scheme or the analogous scheme for music and ballet schools, parents of some pupils receive means-tested assistance with fees from the Department. There is no present prospect of either extending these schemes or introducing any separate scheme for choir schools as such.

Diabetics

Mr. Alfred Morris asked the Secretary of State for Education and Science what research his Department is supporting into alternatives to insulin injections for diabetics.

Mr. Brooke: The Medical Research Council, which receives its grant-in-aid through the Department, is the main Government agency for the promotion of medical research in the United Kingdom. I understand that the MRC is currently supporting three research projects concerned with alternatives to insulin injections for diabetics:

i. A prospective study, with other co-funding bodies, comparing diet, sulphonamide drugs and insulin as possible alternatives for the control of glucose in maturity-onset diabetes.

ii. The development of a slow infusion pump as an alternative to injection as a means of administering insulin.

iii. Research on pancreatic islet transplantation as a method for treating diabetes.

The council is also supporting other research on diabetes which might prove relevant to developments in treatment.

It is likely that research work on and relevant to the treatment of diabetes is being conducted in universities and medical schools using funds allocated for teaching and research through the University Grants Committee, but details of such work are not collected centrally.

Part-time Education

Mr. Hancock asked the Secretary of State for Education and Science what action he is taking to increase the level of participation in part-time education by full-time employees.

Sir Keith Joseph: The Government fully recognise the need for the country's work force to be kept up to date with technological, social, legal and market developments and consider that the education service has a major part to play in meeting this need. They are seeking to persuade those employers who do not already do so to invest in updating their employees through the adult training campaign and to ensure that there is adequate provision in the higher and further education service to meet the increased demands to be made upon it by means of the PICKUP (professional, industrial and commercial updating) programme.

In addition, the Government have indicated to the Open University the priority they attach to science and technology and to the provision of updating courses for those employed in industry and commerce and the professions.

Educational Establishments (Visits)

Mr. Hancock asked the Secretary of State for Education and Science if he will list the educational establishments that he has visited in an official capacity in *(a)* Portsmouth and *(b)* Hampshire.

Sir Keith Joseph: Since June 1984 I have visited three educational establishments in Hampshire, none of which was in Portsmouth. The establishments visited were:

Guillemount junior school, Farnborough;
John Hanson comprehensive school, Andover;
Cricklade college, Andover.

Women Teachers

Mr. Hancock asked the Secretary of State for Education and Science how many women teachers there were working *(a)* in primary education and *(b)* in secondary education in each year of the period 1979 to 1985; and in what disciplines.

Mr. Dunn: Information on numbers of teachers by sex is available for full-time teachers for the years 1979 to 1984:

Full-time qualified teachers in maintained nursery, primary and secondary schools in England (thousands)

	Primary*		Secondary	
	Men	Women	Men	Women
31 March				
1979	42·4	144·4	†128·2	102·3
1980	41·5	142·1	†127·9	†104·7
1981	40·0	136·8	127·0	105·3
1982	38·5	131·8	126·1	104·7
1983	37·1	127·6	125·0	104·4
1984 (provisional)	35·8	125·4	123·1	103·6

* including nursery schools

† Because of reclassification, figures for 1980 and later years are slightly higher than they would have been on the 1979 classification.

Annual information on subject of qualifications is available only for graduate teachers. Information on subjects of qualifications of all teachers in secondary schools from the 1984 secondary school staffing survey is as follows:

Sujects of qualifications of full-time teachers in maintained secondary schools in England (January 1984)

Subject	Percentage of all reported subjects of qualification†	
	Men per cent.	Women per cent.
Mathematics/remedial mathematics	10·5	6·8
Computer studies	1·0	0·5
Biology	3·3	4·3
Chemistry	4·0	2·2
Physics	5·1	1·6
Other science subjects (including medicine and health, biochemistry)	7·0	4·9
English/remedial English/English as a second language	7·9	13·7
French	2·8	5·4
Other modern languages/European studies	2·0	3·3
Classical languages and studies	1·1	1·2
History	7·1	6·9
Religious education	2·6	3·7
Other humanities	1·0	1·1
Geography	6·4	4·4
Economics	2·0	1·0
Other social studies	5·3	5·1
Music	1·8	2·5
Drama	1·2	2·6
Art	3·5	5·0
Craft, design and technology/ engineering/architecture and planning	7·6	0·4
Home economics/needlecraft	*	8·3
Business studies/vocational studies not covered elsewhere	0·7	1·4
Physical education	7·3	5·8
Careers/health/social/remedial education (not covered elsewhere)/counselling and guidance	1·5	2·4
Education as an academic subject/ specific aspects of education	5·0	2·6
Other subjects, not covered above	2·2	2·7
	100·0	100·0

* Less than 0·05.

Due to rounding the sum of the components differs slightly from 100·0.

† Some teachers will be counted under more than one subject. Also, a particular subject is counted each time it occurs in a teacher's qualifications. Some teachers may therefore be counted more than once for a particular subject. Some 300,000 subjects were reported in men teachers' qualifications and 240,000 in women teachers' qualifications: between 2 and 3 per teacher.

Not all teachers with a qualification in a subject are teaching it. Corresponding information is not available for primary schools.

Dental Students

Lord James Douglas-Hamilton asked the Secretary of State for Education and Science (1) how many dental students there were in England and Wales in each of the last 20 years per head of population; and how many student grants there were to dental students per head of population for the same dates;

(2) what was the percentage of the population in Scotland, England and Wales attending degree courses for dentistry in universities in the United Kingdom for each of the last 20 years, giving separate figures for Scotland, England and Wales; and what were the corresponding figures in each case for the percentages qualifying.

Mr. Brooke [*pursuant to his replies* 20 and 24 June 1985, c. *181* and *313*]: Information in the form required is not readily available.

The available information is given in the tables.

Number of home dentistry undergraduates in Scotland, England, Wales, England and Wales and Great Britain per million of the population in the respective countries

	Scotland	England	Wales	England and Wales	Great Britain
1972	123·4	56·1	64·5	56·6	62·9
1973	134·2	59·0	61·5	59·2	66·3
1974	141·1	60·9	67·0	61·3	68·9
1975	144·1	62·9	71·7	63·4	71·1
1976	153·6	65·0	75·0	65·5	73·9
1977	156·5	64·2	76·4	64·9	73·6
1978	158·0	64·8	79·0	65·6	74·3
1979	154·7	63·8	79·0	64·7	73·2
1980	155·1	64·0	72·2	64·5	73·1
1981	155·3	64·0	73·3	64·6	73·1
1982	146·5	64·5	70·8	64·9	72·6
1983	147·9	62·8	72·2	63·3	71·2

Number of first degrees awarded in dentistry by universities in Scotland, England, Wales and Great Britain per million of the population in the respective countries

	Scotland	England	Wales	Great Britain
1972	20·7	8·7	14·5	10·2
1973	20·2	11·6	17·3	12·7
1974	22·5	12·6	14·7	13·7
1975	24·6	11·6	11·8	12·8
1976	23·2	11·9	14·3	13·1
1977	27·0	14·2	13·2	15·3
1978	28·2	12·7	14·9	14·3
1979	32·9	14·2	15·3	16·0
1980	27·7	12·0	22·8	14·0
1981	31·7	13·2	14·9	15·0
1982	36·8	13·3	15·3	14·8
1983	30·0	14·7	16·0	16·2

Figures for earlier years are not available. Information about grants to dental students is not collected separately.

ENERGY

Electricity Supply Industry

Mr. Alfred Morris asked the Secretary of State for Energy whether he has received a copy of the results of the opinion survey commissioned by the Electricity Supply Trades Union Council about public attitudes towards the

services supplied by the electricity supply industry and whether or not it should be privatised; and if he will make a statement.

Mr. Goodlad: I have received a copy of the survey to which the right hon. Member refers. There are no present plans to privatise the electricity supply industry.

AGRICULTURE, FISHERIES AND FOOD

Internal Drainage Boards

Dr. David Clark asked the Minister of Agriculture, Fisheries and Food if he will list the internal drainage boards, with dates, established since 1979.

Mrs. Fenner: The Swavesey internal drainage board in the Anglian water authority area is the only board established since 1979. This board was constituted on 1 April 1981.

Dr. David Clark asked the Minister of Agriculture, Fisheries and Food how many internal drainage boards there are.

Mrs. Fenner: There are 255 internal drainage boards in England and Wales.

Paper Manufacture

Mr. Hancock asked the Minister of Agriculture, Fisheries and Food if he has any plans to implement the findings of his Department's report of July 1984, which investigated the possibility of using straw pulp for the manufacturing of paper; and if he will make a statement.

Mrs. Fenner: My Department's straw utilisation group provides a forum where industrialists, farmers, research workers, officials and other interested parties can review regularly progress on the whole range of research undertaken in this field and can disseminate their findings to the industries concerned. Commercial development and assessment of commercial viability are matters for the relevant industrial sector to decide. The group met recently to review progress on the projects covered in its 1984 report and noted that studies funded by the Government has identified a number of paper mills and factories potentially capable of utilising straw and, provided appropriate industry support was forthcoming, that a full feasibility study on a particular manufacturing method would be appropriate.

ATTORNEY-GENERAL

Speakers' Corner (Abuse)

Mr. Winnick asked the Attorney-General, if he has yet received the report of the Director of Public Prosecutions on whether charges should be made against those who have disrupted speakers at Speakers' Corner, Hyde Park, with obscene or racial abuse.

The Attorney-General: I recently discussed with senior staff of the Director of Public Prosecutions a report submitted to him by the Metropolitan police concerning certain incidents in the vicinity of Speakers' Corner, Hyde Park. We concluded that the traditional gatherings at Speakers' Corner fall outside the ambit of the Public Meetings Act 1908. Although the evidence relating to the incidents which are the subject of that report was insufficient to justify proceedings under any other enactment, the evidence relating to any future incident would have to be considered on its own merits.

I have invited the Home Secretary to consider the problems raised by this case in the conext of his review of public order law.

ENVIRONMENT

Prefabricated Reinforced Concrete Houses

Mr. Cartwright asked the Secretary of State for the Environment whether the Building Research Establishment has developed a successful means of halting the deterioration of mild steel load-bearing stanchions in Wates prefabricated reinforced concrete homes.

Mr. Gow: There are no mild steel load-bearing stanchions in such houses. There is a steel joint supporting the first floor but that is unlikely to deteriorate and there have been no reports of any problems. There is, however, mild steel reinforcement in the reinforced concrete components. Once corrosion in these prefabricated components has begun there is no known method of halting its progress. If there is no corrosion, the application of surface coatings to the concrete may slow down the processes leading to corrosion. Guidance on these coatings is given in Building Research Establishment Digest No. 265. A copy of this paper has been placed in the Library.

Local Authorities (Expenditure)

Mr. Sayeed asked the Secretary of State for the Environment what information his Department collects on the purposes to which money raised under section 142 of the Local Government Act 1972 is put by local authorities.

Mr. Waldegrave: Local authorities are not obliged to identify separately expenditure incurred under section 142 of the Local Government Act 1972. My Department does not therefore collect information in the form to which my hon. Friend refers.

Mr. Sayeed asked the Secretary of State for the Environment if he has any plans to introduce legislation to amend section 142 of the Local Government Act 1972.

Mr. Waldegrave: The Widdicombe inquiry has been asked to report by the end of July on local authorities' discretionary spending on publicity and political campaigning. We shall wish to consider the inquiry's recommendations very carefully, both in relation to section 142 of the Local Government Act 1972 and generally. As we have made clear on previous occasions, we certainly do not preclude legislation in due course.

European Soccer Matches (Crowd Safety)

Mr. Pike asked the Secretary of State for the Environment if he will seek information from all Football League clubs involved in matches in Europe last season with regard to arrangements made for crowd safety at those matches.

Mr. Macfarlane: I am in close consultation with the Football Association and Football League, of which these clubs are members on the safety needs of football grounds. I believe that the experience of matches abroad last season and in previous years is available to the governing bodies.

Housing (Multiple Occupation)

Mr. Ernie Roberts asked the Secretary of State for the Environment if he will seek powers to apply provisions analogous to those applying to houses in multiple occupation through the Housing (Management of Houses in Multiple Occupation) Regulations 1962 in relation to mansion blocks and similar premises; and if he will make a statement.

Sir George Young: We must see what conclusion the committee chaired by Mr. Edward Nugee, QC reaches as to the nature of the problems of management in privately owned blocks of flats and its recommendations on how best to proceed. The committee is expected to report later this year.

Chinese Archway, Manchester

Mr. Alfred Morris asked the Secretary of State for the Environment what representations his Department has received concerning the funding of the proposed construction of a Chinese archway in Manchester; what reply he has sent; if urban programme funding on the scale needed will now be approved; and if he will make a statement.

Mr. Kenneth Baker: A proposal for joint funding by Manchester city council and GMC using urban programme funds has been received from the city council. The GMC has yet to resolve whether to support that application, and despite repeated requests the city council has failed to submit its full inner area programme for urban programme funding in 1985-86. I am not in a position to reach a decision until the local authorities concerned resolve the outstanding matters and come forward with firm proposals.

Manchester Council for Voluntary Service

Mr. Alfred Morris asked the Secretary of State for the Environment what reply he is sending to the representations made to him on 18 June by the general secretary of the Manchester Council for Voluntary Service; what action he is taking; and if he will make a statement.

Mr. Kenneth Baker: I shall send a copy of the reply to the right hon. Member.

Property Services Agency

Mr. Hannam asked the Secretary of State for the Environment how much is being spent by the Property Services Agency on conservation of energy in their buildings during the current year; and how much is planned for future years.

Sir George Young: The agency has set aside £3 million in 1985-86 for energy conservation works on the civil estate. Expenditure in subsequent years will depend upon decisions in the annual public expenditure surveys.

Council House Sales

Mr. Soames asked the Secretary of State for the Environment what steps Her Majesty's Government are taking further to encourage the sale of council houses.

Mr. Gow: My right hon. Friend and I keep the progress of council house sales under regular review. Sales are continuing at a rate in excess of 100,000 a year. I am considering whether further encouragement might be given to tenants of flats to exercise the right to buy.

Tower Blocks (Gas Facilities)

Mr. Spearing asked the Secretary of State for the Environment what communications he has sent to local authorities concerning installation of mains gas facilities for dwellings or other services in system-built tower blocks; and what information he has requested concerning such installations and their removal.

Mr. Gow: I refer the hon. Member to the reply which I gave on 23 October 1984, at columns 553-57, to my reply to my hon. Friend the Member for Mid-Staffordshire (Mr. Heddle) on 10 May this year, at columns 526-27 and to the letters from my Department to local authorities of 26 October 1984 and 10 May 1985, copies of which were placed in the Library.

In the letter of 26 October 1984 authorities were reminded that mains gas should have been disconnected from all large panel system buildings over six storeys in height which had not been designed or strengthened to resist a standard static pressure of 5lb per square inch (psi). At the same time authorities were asked to complete a return of all their large panel buildings stating their height, the forces which they were capable of resisting and whether they had a piped gas supply. These returns are being analysed by the Building Research Establishment.

In the statement enclosed with the Department's letter of 10 May 1985 I again drew attention to the need for authorities to take urgent steps to prevent the use and storage of explosive materials in large panel system buildings of more than six storeys not designed or strengthened to resist a standard static pressure of 5 psi. I urged authorities to appraise the robustness and resistance to progressive collapse of their large panel buildings of six or fewer storeys, particularly where piped gas was installed or liquid petroleum gas was used.

Sellafield

Mr. D. E. Thomas asked the Secretary of State for the Environment if he will update to calendar years 1983 and 1984 the information on discharges of radionuclides to sea from the Sellafield site given in National Radiological Protection Board paper R171; and what proportion of the plutonium contained in the discharges made to sea from the Sellafield site up to 31 December 1984 is estimated to have originated in the Magnox reactors of the Central Electricity Generating Board and South of Scotland Electricity Board.

Mr. Waldegrave: I shall answer this question shortly.

SCOTLAND

Scottish Tourist Board

Mr. McQuarrie asked the Secretary of State for Scotland if he will set out in the *Official Report* the amount of funds allocated to the Scottish Tourist Board by his Department in each of the years from 1979 to 1985.

Mr John MacKay: The amounts allocated are as follows:

	£ million
1979-80	4·3
1980-81	5·2
1981-82	6·1
1982-83	7·6
1983-84	7·9
1984-85	8·5

Mr. McQuarrie asked the Secretary of State for Scotland if he will arrange to meet the chairman of the Scottish Tourist Board to discuss the proposals by the board for designating eight major tourist routes in Scotland.

Mr. Ancram: The board is already in consultation with the Scottish Development Department and other interested bodies about its proposals.

Long-term Unemployment

Mr. Parry asked the Secretary of State for Scotland what assessment he has made of the social consequences of long-term youth unemployment in Scotland; and if he will make a statement.

Mr. Allan Stewart: No specific assessment of the social consequences of long-term youth unemployment has been made in Scotland.

A study of the social and psychological effects of unemployment on disadvantaged young people was, however, undertaken on behalf of the Department of Employment by the social and applied psychology unit of Sheffield university. The study covered 11 urban areas in England. A summary of the first stage of the study appeared in the August 1984 issue of the *Employment Gazette*.

Mr. Parry asked the Secretary of State for Scotland what plans he has to reduce the level of long-term unemployment in Scotland and if he will make a statement.

Mr. Allan Stewart: The best means of improving prospects for all unemployed people in Scotland, as elsewhere in Great Britain, lies in the Government's economic strategy, re-emphasised in the Budget statement, of keeping inflation down, offering real incentive for enterprise and restoring competitiveness to industry.

The Government's full range of special employment and training measures continues to be available throughout Scotland for long-term unemployed people.

Mr. Parry asked the Secretary of State for Scotland what was the level of long-term youth unemployment in Scotland at the latest available date; and what was the level in July 1979.

Mr. Allan Stewart: On 11 April 1985, the latest date for which information is available, the number of unemployed claimants in Scotland under the age of 25 years who had been unemployed for over a year was 42,382. It is difficult to make a comparison with July 1979 because of the change in the basis of the count in October 1982 and the change to a ward based system for allocating claimants to localities. The number of registered unemployed under the age of 25 years who had been unemployed for over a year in jobcentre areas in Scotland in July 1979 was 10,294. This information is available in the Library.

New Towns (Housing)

Dr. M. S. Miller asked the Secretary of State for Scotland (1) what, in respect of each of the Scottish new town development corporations in each of the years 1978-79 to 1984-85, inclusive, and 1985-86 to date, were (i) the number of persons on waiting lists for houses to let at 1 April and 1 October and (ii) the numbers of and sizes of corporation houses at 31 March *(a)* completed and first let, *(b)* vacated and re-let, *(c)* sold to sitting tenants, *(d)* sold with vacant possession and *(e)* sold on a shared equity basis;

(2) what, in respect of each of the Scottish new town development corporations in each of the years 1978-79 to 1984-85, inclusive, and 1985-86 to date, were (i) the categories of applicants whose waiting time for acceptance of application to allocation of a dwelling was greatest and the average waiting time for such categories and the categories of applicants whose waiting time was shortest and the average waiting time for such categories and (ii) the numbers of and sizes of private sector houses and flats in each of the said years to 31 March which were *(a)* completed and *(b)* sold on a basis which included any element of subsidy or financial assistance by the development corporation and the total amount of such subsidy or financial assistance.

Mr. Allan Stewart: I shall reply to the hon. Member as soon as possible.

HOUSE OF COMMONS

Dining Facilities

Mr. Conway asked the Lord Privy Seal if he will list the organisations which have used the dining facilities of the House during the current Session to date.

Mr. Biffen: The banqueting rooms may be reserved by hon. Members for private functions from Mondays to Saturdays. It is not the refreshment department's practice to make public information which may be available to it on the nature of functions sponsored by hon. Members.

Mr. Conway asked the Lord Privy Seal how many meals were served in the current Session to date in the public dining rooms of the House; and what was the average cost and charge per meal.

Mr. Biffen: The total number of meals served in the banqueting rooms in the current Session to 27 June was 50,456 (including teas) and in the Harcourt Room and Strangers' Dining Room was 23,461. The menu and tariff structures in these different venues are too diverse for average costs and charges to be given on a meaningful basis.

Running Costs

Mr. Peter Bruinvels asked the Lord Privy Seal if, pursuant to his answer of 24 June, *Official Report*, column 320, to the hon. Member for Leicester, East regarding the costs of running the House of Commons, he will specify, for each year, the Votes concerned, the sum attributable to each and who is responsible for accounting for each Vote.

Mr. Biffen: The information requested is as follows:

£'000

	1981-82 (Actual)	1982-83 (Actual)	1983-84 (Actual)	1984-85 (Voted)
(i) Parliament and Privy Council: House of Commons (Class XIII, Vote 2)	21,528	22,987	28,067	31,248
(ii) House of Commons: Administration (Class XIIIA, Vote 1)	13,830	15,094	15,481	17,433
(iii) Central Management of the Civil Service: Computers and Telecommunications (Her Majesty's Treasury) (Class XIII, Vote 13, Subhead B2)	283	263	442	807
(iv) Stationery and Printing Supplies to the Houses of Parliament, etc. (Class XIII, Vote 22*, Subhead A2)	6,172	6,687	6,855	8,800

* In 1981-82 Class XIII, Vote 25 and in 1982-83 Class XIII, Vote 23.
The Accounting Officers for these votes are as follows:
(i) and (ii) Mr. K. A. Bradshaw, CB (Clerk of the House of Commons).
(iii) Mr. A. M. Bailey, CB (Second Permanent Secretary (Public Services Sector) Her Majesty's Treasury).
(iv) Mr. W. J. Sharp, CB (Controller and Chief Executive: Her Majesty's Stationery Office).

PRIME MINISTER

North of England Regional Consortium (Report)

Mr. Alfred Morris asked the Prime Minister whether she has considered the factual evidence produced by the North of England Regional Consortium and sent to her on the differences in the economic and social fortunes of regions in the United Kingdom; and if she will make a statement.

The Prime Minister: Yes. The Government's policy of regional industrial incentives is designed to reduce regional disparities in employment opportunities on a stable long term basis.

European Community

Mr. Soames asked the Prime Minister if, in the light of developments at the Milan summit, she will make a statement on the future political and economic objectives of Her Majesty's Government in the European Economic Community.

The Prime Minister: I refer my hon. Friend to the statement that I made to the House yesterday (*Official Report*, 2 July 1985, c. *185-199*).

HOME DEPARTMENT

Prisons (Reports)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department when the reports of the Chief Inspector of Prisons on Holloway prison and Bullwood Hall youth custody centre will be published.

Mr. Mellor: My right hon. and learned Friend expects to be able to publish both these reports soon.

Diced Cap Bands

Sir Eldon Griffiths asked the Secretary of State for the Home Department what information he has as to which organisations wear diced cap bands similar to those worn by the police.

Mr. Giles Shaw: I understand that five ambulance services and one fire brigade wear diced cap bands, but that these are of a different colour from those worn by the police.

Riot Damages Act 1886

Mr. Parry asked the Secretary of State for the Home Department (1) if he has any plans to seek to repeal or amend the Riot Damages Act 1886; and if he will make a statement;

(2) if he will consider introducing measures to provide for interest to be payable on sums awarded in compensation to victims of riots; and if he will make a statement.

Mr. Giles Shaw: The White Paper on the review of public order law, published on 16 May, proposes that claims under the Riot (Damages) Act 1886 should in future be subject to the test of the proposed new statutory offence of riot. My right hon. and learned Friend will consider whether any other changes are needed in the present statutory arrangements for compensation for victims of riot in the light of the comments received on the White Paper.

Public Disorder

Mr. Winnick asked the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police of the Metropolis about repeated instances of disruption at Speakers' Corner, Hyde Park, and obscene and racial abuse; whether he has any information on the political affiliation of those involved; and if he will make a statement.

Mr. Giles Shaw: The Commissioner of Police of the Metropolis tells me that the police have received a number of complaints from speakers at Speakers Corner that a group of people have disrupted meetings there by aggressive and offensive heckling. The police have sought to prevent meetings being disrupted, but two prosecutions which were brought were unsuccessful. The Commissioner has no reason to believe that the hecklers are a politically organised group. The police will continue to keep a watch on the situation, and will take appropriate action if criminal offences are committed or a breach of the peace appears likely. My right hon. and learned Friend will consider, in the light of conclusions recently reached on this matter by the Attorney-General, whether any changes in the law are required.

Terrorism (Preventive Security Operation)

Mr. Butterfill asked the Secretary of State for the Home Department if he has anything to add to his statement to the House of 25 June, *Official Report*, columns 774-75, regarding the preventive security operation being co-ordinated by the Commissioner of Police of the Metropolis; and if he will make a statement.

Mr. Brittan: The Commissioner of Police of the Metropolis, whom I had asked to coordinate the inquiries being undertaken by a number of police forces in England, Wales and Scotland in connection with this matter, announced yesterday that the police were now satisfied that the slight possibility of bombs having been placed in certain towns no longer existed. The terms of the statement which he issued was as follows:

"Following the discovery of a bomb in the Ruebens Hotel, London, on 23rd June, the public was warned of "a slight possibility" of further bombs having been placed in certain towns. As a result of further developments the police are now satisfied that this particular threat has been removed. However, they cannot rule out the possibility of a random retaliatory attack and there is a need for continued vigilance by members of the public.

Police operations will now be reduced although members of the public may still experience some occasional inconvenience as the emphasis changes from large scale investigation and search to routine measures of prevention designed to forestall any future attack. The continued cooperation of the public is much appreciated."

A number of people have now been charged with serious criminal offences in connection with the events referred to in my earlier statement. It would therefore not be appropriate for me to give further details.

Sri Lanka Citizens (Entry Clearance)

Mr. Madden asked the Secretary of State for the Home Department how many citizens of Sri Lanka have applied for entry clearance to enter the United Kingdom since the introduction of the requirement of such citizens to obtain entry clearance to enter the United Kingdom; how many entry clearance officers there are at the British embassy in Colombo; what assurances have been sought from the Sri Lankan authorities about safeguarding any Sri Lankan citizens who apply at the British embassy in Colombo for entry clearance; and if he will make a statement.

Mr. Renton: I have been asked to reply.

Since the introduction of the visa requirement 1,327 Sri Lankans have applied for visas at the British high commission in Colombo, up to and including 30 June. Sri Lankans will also have applied at other British posts overseas, but details of their number could only be provided at disproportionate cost.

There are five entry clearance officers at the British high commission, Colombo.

Our High Commissioner has sought and obtained assurances from the Sri Lankan authorities that immediate remedial action will be taken should any harassment of visa applicants occur.

NORTHERN IRELAND

Portaferry (Housing)

Mr. John David Taylor asked the Secretary of State for Northern Ireland, pursuant to his reply of 13 June, *Official Report*, columns *547-8*, how many of the 44 applicants on the waiting list for houses in Portaferry are presently residents of Portaferry.

Mr. Chris Patten: This is a matter for the housing executive but I understand from the chairman that the figure is 31.

NHS Hospitals (Private Patients)

Rev. Martin Smyth asked the Secretary of State for Northern Ireland if he will publish a table showing average daily bed occupation, inpatient discharge and deaths, average duration of stay, outpatient attendances and day cases for private patients in National Health Service hospitals in Northern Ireland.

Mr. Chris Patten: During 1983 there were on average 26 private patients occupying beds in general hospitals daily. The other information requested is not collected separately in respect of private patients.

Youth Unemployment

Mr. Parry asked the Secretary of State for Northern Ireland (1) what was the level of long-term youth unemployment in the Province at the latest available date; and what were the equivalent figures in July 1979;

(2) what assessment he has made of the social consequences of long-term youth unemployment in the Province; and if he will make a statement;

(3) what plans Her Majesty's Government have for reducing youth unemployment in the Province; and if he will make a statement.

Dr. Boyson: At 9 May 1985 there were 496 young persons aged under 18 in Northern Ireland who had been continuously unemployed for more than one year. A comparable claimant based figure is not available for July 1979 but 449 unemployed persons aged under 18 had been registered at Jobmarkets for more than one year at that date.

The Departments of Economic Development and Education have initiated a study, undertaken jointly by the Queen's University of Belfast and the policy planning and research unit of the Department of Finance and Personnel, of approximately 3,000 fifth form pupils from over 70 schools and colleges throughout Northern Ireland. Contact over three years will ascertain the educational and employment experiences of these young people and will provide social, psychological and attitudinal information on those unable to find work. The results cannot be available before 1987.

The Government's economic policies, which are designed to provide conditions under which industry and commerce can create sustainable jobs for young people, are supplemented by a number of initiatives. These include action for community employment (ACE) and enterprise Ulster, the enterprise allowance scheme and the young workers scheme. The main initiative directed at young people is the youth training programme (YTP), which has been created to ensure that there are constructive and worthwhile opportunities for young people and is designed to cater for the vocational education and training needs of all 16 and 17-year-olds. YTP has made a significant contribution towards reducing youth unemployment in Northern Ireland and I am confident that it will continue to do so. Since the programme began, more than half of

the young people leaving full-time training schemes have immediately entered employment. The Government are keeping under review how best the programme might be improved in the light of developments in Great Britain following publication of the White Paper on education and training for young people.

Discrimination

Mr. Sackville asked the Secretary of State for Northern Ireland whether, pursuant to his answer of 13 June, Official Report, column *1012*, he is now in a position to make a further statement about safeguards against discrimination in Northern Ireland.

Mr. Hurd: Data published today by the Department of Finance and Personnel illustrate a number of marked differences between the characteristics of Protestant and Roman Catholic communities in Northern Ireland, in such areas as educational background, employment and occupation and housing.

While such deeply rooted differences exist it will not be easy to secure early dramatic changes. Nevertheless, I believe it to be in the long term interests of the whole community that the Government should explore immediately the possibility of further action to promote equality of opportunity and protect against discrimination. I have already welcomed the wide-ranging review of anti-discrimination law which will be undertaken over the next 18 months by the Standing Advisory Commission on Human Rights. The importance of this work is underlined by the data published today. I have now also asked officials to prepare urgently proposals for discussion later this year to make our approach to full equality of opportunity in employment more comprehensive, consistent and effective.

Terrorism (Anglo-Irish Co-operation)

Mr. McNamara asked the Secretary of State for Northern Ireland (1) what indications he has received from the Lord Chief Justice of Northern Ireland as to the policy of himself and other members of the Northern Ireland bench in the event of implementation of measures of co-operation between Her Majesty's Government and the Republic of Ireland currently under discussion and including participation of judges from the Republic of Ireland in trials of terrorist-type offences in Northern Ireland; and if he will make a statement;

(2) if he has sought the advice of the Lord Chief Justice of Northern Ireland on the practical implications for the judiciary of any proposal to enable judges from the Republic of Ireland to sit and participate in courts trying terrorist-type offences; and if he will make a statement.

Mr. Hurd [*pursuant to his reply*, 25 June 1985, c. *365*]: Consultations between the Government and the Lord Chief Justice of Northern Ireland are, and must remain, confidential.

Sons of William Annual Band Parade

Rev. William McCrea asked the Secretary of State for Northern Ireland what were the costs of policing the Sons of William annual band parade in the years 1984 and 1985, respectively.

Mr. Scott [*pursuant to his reply*, 27 June 1985, c. *450-51*]: Precise details could be provided only at disproportionate cost. No information is available for 1984, but an estimate of the cost of policing the parade in 1985 shows it to have been in the region of £35,000.

Rev. William McCrea asked the Secretary of State for Northern Ireland if he will call for a report from the Chief Constable as to how many police officers were on duty for the Sons of William annual band parade between the hours of 7 o'clock and 10 o'clock in Cookstown, County Tyrone, Northern Ireland, in 1984 and 1985, respectively.

Mr. Scott [*pursuant to his reply*, 27 June 1985, c. *450-51*]: The Chief Constable informs me regularly of law enforcement issues, including the conduct of parades and marches and the police resources involved.

TRANSPORT

Manchester International Airport

Mr. Hayward asked the Secretary of State for Transport whether any extra scheduled international services for Manchester international airport are proposed for commencement in 1986.

Mr. Michael Spicer: Twenty seven applications for licences to serve international destinations from Manchester are now with the Civil Aviation Authority. It has been agreed that from April 1986 British Airways and SIA will be able to operate up to three services per week each from Manchester to Singapore. We also hope to begin negotiations soon with the US Government about the basis on which US carriers may operate services into Manchester.

Mr. Hayward asked the Secretary of State for Transport if he will identify those 33 international scheduled services now operating from Manchester to which he referred during the debate on airports policy on 17 June, *Official Report*, column 37.

Mr. Michael Spicer: The 33 destinations served from Manchester by international scheduled services are as follows:

City	*City*	*City*	*City*
Amsterdam	Dubrovnik	Milan	Paris
Athens	Dusseldorf	Montpellier	Pula
Bangkok	Frankfurt	Munich	Rome
Barcelona	Geneva	New York	Shannon
Bergen	Larnaca	Nice	Stavanger
Brussels	Madrid	Oslo	Sydney
Copenhagen	Malta	Palma	Tel Aviv
Cork	Melbourne	Paphos	Zurich
Dublin			

Mr. Hayward asked the Secretary of State for Transport if he will identify those 14 international scheduled services from Manchester which have commenced in the current year to which he referred during the debate on airport policy on 17 June, *Official Report*, column 37.

Mr. Michael Spicer: Scheduled services, which are either to new destinations or by carriers new to the routes, have been introduced from Manchester to:

City	City	City	City
Bergen	Larnaca	Munich	Palma
Dusseldorf	(2nd carrier)	(2 services)	Paphos
(2nd carrier)	Malta	New York	Stavanger
Geneva	Montpelier	Oslo	Tel Aviv

Singapore Airlines (Manchester)

Mr. Hayward asked the Secretary of State for Transport what progress is being made in implementing the agreement with the Government of Singapore on 3 May concerning flights between Manchester and Singapore; and if he will make a statement.

Mr. Michael Spicer: I have nothing to add to the reply I gave to my hon. Friend the Member for Wyre (Sir W. Clegg) on 26 June at column *427*.

Local Government Reform

Mr. Snape asked the Secretary of State for Transport what precepting arrangements will be adopted in the event of a district council seceding from a public transport joint board either in whole or in part proposed after abolition of the metropolitan county councils to ensure a proper distribution of the financial burden relating to any functions which remain to be provided on a county-wide basis.

Mrs. Chalker: The Local Government Bill provides for the amendment of section 12 of the General Rates Act 1967 to include the new joint authorities, and in general precepts levied by the authorities will be subject to the requirements of that section. The detailed precepting arrangements which would apply in the event of secession by a district council would depend on the circumstances of the individual case. But the objective would be to ensure that the precept to be issued to each district council by the public transport joint board resulted in an appropriate share of the joint board's liabilities being charged to the district's ratepayers, taking into account the provisions of any secession order.

Airports (London)

Mr. Alfred Morris asked the Secretary of State for Transport whether he will publish the outcome of the studies he has commissioned on the relocation of the sludge farm at Heathrow airport and on the viability of a rail link to Stansted airport.

Mr. Ridley: The study of the feasibility of releasing the Perry Oaks site to Heathrow airport has been commissioned by the British Airports Authority, in consultation with the Thames water authority, who own the site. British Rail are, in consultation with the owners and operators of the airports concerned, evaluating the options for providing rail services to Stansted and to Manchester airport. These studies are a matter for the authorities concerned. I will consider any investment proposals they wish to put forward as a result of these studies in accordance with the normal criteria, and will make my decisions known to Parliament.

Mr. Alfred Morris asked the Secretary of State for Transport when he expects the British Airports Authority to submit to his Department its investment strategy for the development of Stansted airport for evaluation; and if this strategy will be published and made available to Parliament.

Mr. Ridley: The strategy for the development of Stansted airport is set out in the White Paper on "Airports Policy" (Cmnd. 9542) and in the decision letter, which was made available to Parliament, approving the British Airports Authority's application to develop the airport. I expect the BAA in the normal way to submit to me soon, for my financial approval, its proposals for the construction of the first phase of the development in accordance with this strategy and with the conditions attached to the planning permission. I will inform Parliament of and when any such proposals are approved.

A17 (Leadenham)

Mr. Douglas Hogg asked the Secretary of State for Transport what is his Department's most recent estimate of the number of vehicles in any 24-hour period passing through Leadenham along the A17 road.

Mrs. Chalker [*pursuant to the reply*, 2 July 1985, c. 89]: The estimated number of vehicles passing through Leadenham, along the A17, is currently 10,600.

This estimate is based on a traffic count taken in July 1983, and updated by the latest national road traffic forecasts of December 1984.

EMPLOYMENT

Sports Clubs

Mr. Pawsey asked the Secretary of State for Employment how much the Manpower Services Commission has spent on projects involving sports clubs in each of the last two years; what expenditure is planned in the current year and 1986; and if he will make a statement.

Mr. Peter Morrison: Information about the amount of money spent on sports clubs under the community programme is not held centrally and could be obtained only at disproportionate cost.

Mr. Pawsey asked the Secretary of State for Employment if he will take steps to increase the Manpower Services Commission ceiling fixed in 1982 of £15,000 for projects involving sports clubs.

Mr. Peter Morrison: I understand from the Manpower Services Commission that it is already reviewing its internal guidance about projects involving sports clubs. I have asked that my hon. Friend be informed of the results of the review.

Wages Councils

Mr. Pike asked the Secretary of State for Employment what recent representations he has received regarding the future of wages councils.

Mr. Peter Bottomley: My right hon. Friend and I have now received 755 responses to the consultative paper on the future of wages councils.

Labour Statistics

Mr. Parry asked the Secretary of State for Employment what were the levels of unemployment in

each special development area in England and Wales at the latest available date; and what were the corresponding figures for July 1979.

Mr. Alan Clark: The following information is in the Library. As special development areas were abolished in November 1984, the latest figures relate to October 1984 and to the former travel-to-work areas and jobcentre areas which comprised special development areas at that time. It is difficult to make a comparison with July 1979 because of the change in the basis of the count in October 1982 and the 1983 Budget provisions; but figures are given for registered unemployed in the same areas in July 1979 .

Unemployment in travel-to-work areas and jobcentre areas in special development areas (as defined October 1984) in England and Wales.

	Registered unemployed July 1979	*Unemployed claimants October 1984*
South west		
Falmouth	1,892	2,416
Redruth	2,420	4,215
North west		
Birkenhead	18,324	32,213
Liverpool	61,522	91,843
Widnes	6,001	11,924
Skelmersdale*	2,895	4,812
North		
Consett	3,713	7,874
Hartlepool	6,162	10,006
North Tyne	21,932	40,504
Peterlee	3,071	5,096
South Tyne	20,332	35,561
Teesside	22,829	47,407
Wearside	17,955	30,680
Wales		
Bargoed	3,354	5,477
Ebbw Vale	3,942	5,753
Holyhead	2,375	4,726
Port Talbot	6,036	11,877
Shotton	4,126	8,355
Wrexham	5,219	7,842
Ferndale*	514	1,499
Tonypandy*	1,920	2,464
Treorchy*	628	1,413

* Jobcentres not forming complete travel-to-work areas.

Mr. Parry asked the Secretary of State for Employment what was the level of long-term youth unemployment in England and Wales at the latest available date; and what was the level in July 1979.

Mr. Alan Clark: The following information is in the Library. On 11 April 1985, the latest date for which an analysis of unemployment by age and duration is available, the number of unemployed claimants under the age of 25 years who had been unemployed for over one year in England and Wales was 276,583 an 21,871 respectively. It is difficult to make a comparison with May 1979, because of the change in the basis of the count in October 1982 and the change to a ward-based system for allocating claimants to localities. The number of registered unemployed under the age of 25 years who had been unemployed for over one year in jobcentre areas approximating to England and Wales in July 1979 was 42,984 and 3,887 respectively.

Mr. Parry asked the Secretary of State for Employment what is the current level of long-term youth unemployment on Merseyside; and what was the level in July 1979.

Mr. Alan Clark: The following information is in the Library. On 11 April 1985, the latest date for which an analysis of unemployment by age and duration is available, the number of unemployed claimants under the age of 25 years who had been unemployed for over one year in Merseyside was 22,099. It is difficult to make a comparison with July 1979, because of the change in the basis of the count in October 1982 and the change to a ward-based system for allocating claimants to localities. The number of registered unemployed under the age of 25 years who had been unemployed for over one year in jobcentre areas approximating to Merseyside in July 1979 was 8,264.

Mr. Parry asked the Secretary of State for Employment how many persons are unemployed in the Liverpool travel-to-work area at the latest available date; and what were the figures for July 1979.

Mr. Alan Clark: The following information is in the Library. On 9 May 1985 the number of unemployed claimants in the Liverpool travel-to-work area was 104,986. It is difficult to make a comparison with July 1979, because of the change in the basis of the count in October 1982, the 1983 Budget provisions which mean that some men, mainly aged 60 or over, no longer need to sign on at unemployment benefit offices to receive benefit, and the changes to a ward-based system for allocating claimants to localities. The number of registered unemployed in the former Liverpool travel-to-work area in July 1979 was 61,522.

Mr. Parry asked the Secretary of State for Employment how many persons were unemployed on Merseyside at the latest date; and what were the figures for July 1979.

Mr. Alan Clark: The following information is in the Library. On 9 May 1985 the number of unemployed claimants in Merseyside was 138,847. It is difficult to make a comparison with July 1979, because of the change in the basis of the count in October 1982, the 1983 provisions which mean that some men, mainly aged 60 or over, no longer need to sign on at unemployment benefit offices to receive benefit, and the change to a ward-based system for allocating claimants to localities. The number of registered unemployed in jobcentre areas approximating to Merseyside in July 1979 was 87,327.

Mr. Parry asked the Secretary of State for Employment what assessment he has made of the social consequences of long-term youth unemployment on Merseyside; and if he will make a statement.

Mr. Alan Clark: A study of the social and psychological effects of unemployment on disadvantaged young people has been undertaken on my Department's behalf by the social and applied psychology unit of Sheffield university. The study covered 11 urban areas, including Merseyside. A summary of the first stages of the study appeared in the August 1984 issue of the *Employment Gazette*.

Apprenticeships

Mr. Hancock asked the Secretary of State for Employment if he will consider implementing a school leaver trainer programme involving apprenticeships in specific skills similar to that of the Federal Republic of Germany.

Mr. Peter Morrison: The Government have just approved plans for a major expansion of the youth training scheme. This will mean a longer period of training for 16-year-olds, a greater attention to training in specific, occupational skills, and the chance to gain a recognised vocational qualification, or credits towards one. The new scheme will draw on lessons from overseas, and will build on the achievements of the existing scheme. It will go a long way towards matching the training system in Germany.

Jobcentres

Mr. Hancock asked the Secretary of State for Employment if he will provide figures of the staffing levels in jobcentres yearly since 1979 *(a)* nationally and *(b)* in Portsmouth.

Mr. Peter Morrison: The figures requested are given in the table:

	Nationally	*In Portsmouth*
1979	11,396·5	Not available
1980	11,248	39
1981	10,392	36
1982	10,100	33
1983	9,779	29
1984	9,398	27·5
1985	9,126	27·5

Notes

1. Figures refer to permanent staff in post on 1 April each year.
2. The national figures include an element for area office staff supervising local office services. Separate national figures for jobcentres only are not immediately available before 1 April 1984 and could be obtained only at disproportionate cost.

Wages

Mr. Hancock asked the Secretary of State for Employment if he has any evidence of a correlation during the years 1979 to 1985 between the numbers of people employed in the wages inspectorate and the numbers of workers paid arrears after their employers were found to have been underpaying them; and if he will make a statement.

Mr. Peter Bottomley: The number of inspectors influences the number of underpayments found, but the link is not necessarily causal and does not hold under all circumstances. For example, in 1969, when there were 146 inspectors in post, only 13,000 workers were found to have been underpaid whereas in 1984, when there were 115 inspectors in post, over 18,000 workers were found to have been underpaid. As 17 per cent. of the establishments visited in 1969 were found to have been underpaying one or more workers compared with 35 per cent. in 1984, it is clear that the general level of compliance is a very important factor.

The figures for the period to which the question relates were as follows:

	Wages Inspectors in post	*Workers paid arrears and wages*	*Percentage of establishments visited underpaying one or more workers per cent.*
1979	159	22,457	31·5
1980	155	28,373	35·1
1981	117½	24,117	41·3
1982	116	18,562	39·8
1983	116	18,494	37·4
1984	115	15,801	35·6
1985 (June)	120	*	*

* Not available

In interpreting the figures given above it is important to bear in mind that the Wages Inspectorate is influential in helping to secure the current generally high level of compliance. Only 6 per cent. of the workers whose pay was checked in the past three years were found to have been underpaid.

In addition to the general level of compliance, there are other factors which influence the relationship between the figures. These include:

(1) the tendency in recent years for more workers to be paid at or slightly above the minimum rate thereby leaving less margin for error;
(2) the increase in the number of businesses closing down and having no resources to meet claims for arrears of wages;
(3) the size of awards by wages councils;
(4) increased compliance resulting from the publicity given to wages councils matters during the past two or three years; and
(5) the extent to which individual workers ask the Inspectorate not to pursue payment of arrears.

Information Technology Centres

Mr. Hancock asked the Secretary of State for Employment if he will make a statement about the future of information technology centres *(a)* in Portsmouth and *(b)* in the rest of the United Kingdom.

Mr. Peter Morrison: The Government are firmly committed to the information technology centre programme, which will have an important role to play in the new two-year youth training scheme to be introduced from 1 April 1986. An examination of the future role and overall strategy for information technology centres will be carried out in the next few months by the Manpower Services Commission in consultation with interested parties, including centre sponsors and managers, and will be completed by the early autumn. It will cover all information technology centres, including Portsmouth. The commission's examination will be carried out in parallel with an independent review of information technology centres being undertaken by management consultants.

Community Programme

Mr. Freeman asked the Secretary of State for Employment if he is satisfied with progress in expanding the community programme.

Mr. Peter Morrison: We have announced that the community programme would be expanded by 100,000 places to 230,000 filled places by the end of May 1986, and set an interim target for December 1985 of 180,000 filled places. Latest available figures are that 162,707 places have now been approved.

Industrial Tribunals (Discrimination Claims)

Mr. Janner asked the Secretary of State for Employment how many claims have been made to industrial tribunals alleging sex and race discrimination, respectively, during each year for which records are available; how many and what percentage of such claims have been withdrawn before hearing; of those heard, how many and what percentage have failed; and what remedies were awarded to successful claimants.

Mr. Alan Clark: Information about the outcome of applications to industrial tribunals under the Race Relations Act 1976 and the Sex Discrimination Act 1975 has been published at regular intervals since 1977 in the *Employment Gazette*, copies of which are available in the Library of the House.

Youth Training Scheme

Mr. Hancock asked the Secretary of State for Employment if he will list the number of *(a)* fatal, *(b)* major and *(c)* minor accidents on the youth training scheme from 30 September to 30 May, showing the average number of persons in training in each month during that period and the total number of entrants to the scheme in those three months.

Mr. Peter Morrison [*pursuant to his reply*, 28 June 1985, c. *512*]: Information is not available in the precise form requested. Accident figures for the youth training scheme are compiled on a quarterly basis. The following table therefore shows the number of accidents, the number of entrants and the average numbers in training for the two quarters, October-December 1984 and January-March 1985.

Period	*Number of entrants*	*Average number in training*	*Accidents**		
			Fatalities	*Injuries*	
				Major†	*Minor*
1 October 1984 to 31 December 1984	105,436	309,918	—	55	515
1 January 1985 to 31 March 1985	47,800	282,521	‡1	41	468

* The Manpower Services Commission's accident figures for the youth training scheme are compiled on a similar basis to those prepared by the Health and Safety Executive on employed persons. However, the Commission's figures will include a number of accidents, in particular road traffic accidents during scheme time and accidents to trainees in educational establishments, which may not have been reportable to the Health and Safety Executive had the individuals been employed.

† Major injuries are classified according to the severity criteria laid down in the Notification of Accidents and Dangerous Occurances Regulations 1980.

‡ During the period 1 January to 31 March 1985, one further fatality involving a youngster on the youth training scheme was notified to the Manpower Services Commission. Investigations to determine the exact causes of the incident and whether it would be reportable to the Health and Safety Executive had the youngster been employed are being carried out by the local enforcing authorities.

DEFENCE

Brecon Barracks

Mr. Corbyn asked the Secretary of State for Defence on what date contract cleaning of Brecon barracks first commenced.

Mr. Lee: 19 September 1983.

Mr. Corbyn asked the Secretary of State for Defence what was the annual cost of cleaning Brecon barracks prior to cleaning being privately contracted.

Mr. Lee: The annual in-house costs of cleaning were substantially above those now being paid to the successful contractor. For reasons of commercial confidentially exact figures cannot be stated.

Mr. Corbyn asked the Secretary of State for Defence whether there have been any changes in standards for the cleaning of Brecon barracks following the decision to put this out to private tender.

Mr. Lee: The requirements specified at time of contract are being met.

Mr. Corbyn asked the Secretary of State for Defence if he will state the number of cleaners employed at Brecon barracks *(a)* currently and *(b)* immediately prior to the cleaning being put out to contract.

Mr. Lee: The contract is at a firm price for cleaning in accordance with a statement of requirements, and it is a matter for the contractor how many people he employs to this end. Before the work was put to contract seven part-time cleaners were employed by the Ministry of Defence on the work.

Trident Submarines

Mr. Andrew F. Bennett asked the Secretary of State for Defence if he has at any time ordered a review of the total number of Trident submarines planned for construction by Her Majesty's Government; and if he will make a statement.

Mr. Butler: The decision to opt for a four boat Trident force was announced by the previous Secretary of State for Defence on 11 March 1982 at column 975. Four submarines are the minimum needed to sustain without fail at least one always on patrol.

Mr. Andrew F. Bennett asked the Secretary of State for Defence if he has at any time ordered a review of the total quantity of nuclear warheads planned to be fitted to British Trident D5 submarine-launched ballistic missiles; and if he will make a statement.

Mr. Stanley: I refer the hon. Member to the statement in paragraph 30 of "Defence Open Government" document 82/1.

Mr. Andrew F. Bennett asked the Secretary of State for Defence if he will publish the estimated annual percentage of the total Trident submarine budget that is expected to be spent with the private sector of British industry for the years ending April 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994 and 1995.

Mr. Butler: No such estimates are made. Contractors for the Trident programme have been and will continue to be selected on merit and there is no policy of preference to either public or private sector industry. Overall it is expected that 55 per cent. of the total estimated cost of £9,285 million for Trident announced by my right hon. Friend, the Secretary of State for Defence in January will be spent in the United Kingdom.

Mr. Andrew F. Bennett asked the Secretary of State for Defence if he will publish the total planned annual expenditure on the Trident submarine programme at 1985 prices for the years ending April 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994 and 1995.

Mr. Butler: I have nothing to add to the answer which I gave to the hon. Member for Yeovil on 21 June 1985, column *247*. It is not the practice to give forecasts of cost profiles for projects on a year by year basis.

Mr. Andrew F. Bennett asked the Secretary of State for Defence what criteria he intends to use in deciding whether all 16 missile tubes on each Trident submarine will be loaded with missiles with nuclear warheads when Trident is operational; and if he will make a statement.

Mr. Stanley: This will depend on a number of factors, including the capabilities of Soviet defensive systems, and bearing in mind the need to pose a potential threat to key aspects of Soviet state power.

Enfield Weapon (Ejector Mechanism)

Mr. Alton asked the Secretary of State for Defence what problems have been reported to his Department regarding the ejection mechanism of the Enfield individual weapon.

Mr. Lee: A problem was experienced with the extractor in the light machine gun variant of the Enfield individual weapon, which impaired its reliability. The problem has been fully resolved.

Exercise Brave Defender

Mr. Skinner asked the Secretary of State for Defence whether he is planning to utilise any sites in the county of Derbyshire during Exercise Brave Defender.

Mr. Pike asked the Secretary of State for Defence whether he is planning to utilise any sites in the county of Lancashire during Exercise Brave Defender.

Mr. Stanley: I refer the hon. Member to the reply I gave to the hon. Member for Newham, North-West on 28 June 1985 at columns *516-7*.

Trident Missile

Mr. Andrew F. Bennett asked the Secretary of State for Defence in what circumstances Her Majesty's Government would increase the total of nuclear warheads currently planned to be equipped to Trident D5 submarine-based ballistic missiles; and if he will make a statement.

Mr. Stanley: It has been the practice of successive Governments not to comment on warhead numbers.

Mr. Andrew F. Bennett asked the Secretary of State for Defence what percentage of all commissioned United Kingdom Trident D5 submarines will be available continually for deployment at sea.

Mr. Stanley: It will be possible to keep three Trident submarines in the operating cycle for a high proportion of the time, and two submarines in the operating cycle at all times. This will enable us to maintain continuously one submarine on patrol.

Mr. Andrew F. Bennett asked the Secretary of State for Defence how often Her Majesty's Government estimates that Trident D5 submarines will require overhauling.

Mr. Adam Butler: It is currently planned that the Trident submarines should have commission times of about seven or eight years between major refits.

Brigadier General Navarrete (Chile)

Dame Judith Hart asked the Secretary of State for Defence if he will outline the programme arranged for the visit to Britain of Brigadier General Navarrete and his colleagues from Chile.

Mr. Stanley: I refer the right hon. Member to the reply I gave to the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Spearing) on 2 July.

FOREIGN AND COMMONWEALTH AFFAIRS

Falkland Islands

Mr. Kilroy-Silk asked the Secretary of State for Foreign and Commonwealth Affairs what is his latest information as to the quantity and type of fish taken from the sea around the Falkland Islands by foreign ships in the last 12 months; and if he will estimate the value of the catch.

Mr. Renton: The latest estimates available to us, based largely on aerial surveillance of fishing vessels within the Falkland Islands protection zone suggests that the quantity of fish taken within the protection zone during the period June 1984 to May 1985 was roughly 240,000 tonnes. The main species taken were squid, hake and southern blue whiting but the precise composition of the catch is not known. It is not in consequence possible on the basis of the information currently available to us to make any meaningful estimate of its total value.

Mr. Kilroy-Silk asked the Secretary of State for Foreign and Commonwealth Affairs what steps he is taking to conserve fish stocks round the Falkland Islands; and if he will make a statement.

Mr. Renton: As I told my hon. Friend the Member for Epping Forest (Sir J. Biggs Davison) on 26 June at columns 408-9 we are currently working actively for the establishment of a multilaterally-based conservation and management regime around the Falkland Islands.

Middle East

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs whether Her Majesty's ambassador in Amman has reported to him about the meeting between King Hussein, Yasir Arafat and the Jordanian army commander on 17 June concerning armed men from Al-fatah being allowed to resume guerrilla training on Jordanian soil; and whether any message has been conveyed to the King about this.

Mr. Rifkind: We have regular exchanges of view with the Jordanian Government on the search for a peaceful

solution of the Arab/Israel dispute. We cannot confirm the particular decision at the particular meeting mentioned by my hon. Friend.

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs what report he has received from Her Majesty's ambassador in Baghdad regarding the claim by the Palestine Liberation Organisation on Voice of Palestine radio in Baghdad on 18 June that eight terrorist attacks had been made in Jerusalem, Tel Aviv and other places in Israel on the previous day; and whether any message has been conveyed to the Iraqi Government about these incidents.

Mr. Rifkind: We have noted this claim. Our opposition to the use of violence to solve the Arab/Israel dispute is well known.

Kiribati

Mr. Soames asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on United Kingdom relations with the Government of Kiribati.

Mr. Renton: Our relations with Kiribati are good. Under arrangements made at independence we are the largest aid donor. We are one of two overseas Governments represented there.

Solomon Islands

Mr. Soames asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on United Kingdom relations with the Solomon Islands.

Mr. Renton: Our relations with the Solomon Islands are good. My right hon. and noble Friend the Minister of State for Foreign and Commonwealth Affairs, had talks with the Foreign Minister last month. We attach importance to our representation in the Solomon islands and to our aid programme there.

Diplomatic Immunity

Mr. Peter Bruinvels asked the Secretary of State for Foreign and Commonwealth Affairs whether any new guidelines have been issued to ambassadors and high commissioners based in London concerning the use of diplomatic immunity to avoid prosecution for illegal parking; and if he will make a statement.

Mr. Renton: I refer my hon. Friend to paragraph 80 of the recent White Paper on "Diplomatic Immunities and Privileges" (Cmnd. 9497). The vice marshal of the diplomatic corps wrote on 19 April to all heads of mission about illegal parking.

NATIONAL FINANCE

European Monetary System

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report* a table showing for each month since the establishment of the European monetary system what effect the movement of the pound sterling had on the central rate of the European currency unit in terms of percentage shift.

Mr. Ian Stewart: Information on the effect of changes in the sterling exchange rate on the value of the European currency unit was provided in the form requested to 27 March 1985 in answer to a question from the hon. Member for Dagenham (Mr. Gould) on 1 April 1985, at columns *504-506*. A change in the exchange rate does not affect a country's central rate against the ECU. Since 17 September 1984, sterling's notional central rate against the ECU has been £0·585992. The table brings the earlier information up to date. All figures are end-month.

	$/ECU		*£/ECU*	
	Including £	*Excluding £*	*Including £*	*Excluding £*
March	0·723	0·616	0·586	0·503
April	0·723	0·614	0·581	0·496
May	0·726	0·613	0·571	0·477
June	0·742	0·627	0·566	0·478

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report* a table showing for each European Economic Community country the percentage change in the real rate of exchange between the Smithsonion agreement and the setting up of the European monetary system, the change between that date and March 1983 and the change since March 1983.

Mr. Ian Stewart: The information requested is as follows:

*Percentage changes in real effective exchange rates**

	December 1971-March 1979	*March 1979-March 1983*	*March 1983-February 1985†*
Belgium	−3·8	−22·9	−5·1
France	+1·0	−16·1	−0·6
Germany	+5·8	−7·6	−12·3
Italy	−1·7	+2·9	−3·3
Netherlands	−2·4	−6·6	−12·0
United Kingdom	−3·0	+1·9	−6·5

* The nominal effective exchange rate against a basket of other currencies (those shown plus USA, Canada and Japan) has been adjusted by a weighted index of wholesale prices to derive the real effective exchange rate.
† Wholesale prices data not available for non-UK countries after February 1985.
Note: Figures for other EC countries not readily available in above form.

Airports (Duty-free Facilities

Mr. Alfred Morris asked the Chancellor of the Exchequer whether, in consultation with the North of England Regional Consortium, he will now review the criteria for providing duty-free facilities at airports to ensure that the smaller regional airports can provide such facilities if they wish to do so.

Mr. Hayhoe: I have already agreed that HM Customs and Excise should review the criteria governing the establishment of duty-free shops at international airports. I await its report.

"Official Report"

Mr. Peter Bruinvels asked the Chancellor of the Exchequer if he will give *(a)* the cost of printing and publishing *Hansard* in 1984-85, 1983-84, 1982-83 and 1981-82, respectively, and *(b)* the corresponding revenue from sales, other than supplies to Parliament, Government Departments and public bodies, in each year.

Mr. Hayhoe: The following is the information:

£000

	Cost	*Revenue*
1984-85	7,765	1,039
1983-84	7,892	816
1982-83	8,435	850
1981-82	7,870	646

Note: Some public bodies maintain retail accounts with Her Majesty's Stationery Office and the value of such business could only be identified and excluded from the figures shown at disproportionate cost.

THE ARTS

Tate Gallery

Mr. Parry asked the Parliamentary Under-Secretary of State answering in respect of the Arts (1) if there are any plans to increase the art collection at the Tate gallery in Liverpool; and if he will make a statement;

(2) what is the current value of the art collection at the Tate of the North situated in Liverpool.

Mr. William Waldegrave: In March, the Government announced its approval of phase 1 of a proposal to convert part of the old Albert dock warehouse buildings, Liverpool, to form an outstation of the Tate gallery in the north. Building work is about to start with the intention of opening the gallery to the public in the spring of 1988. It will then be for the trustees of the Tate gallery to decide which works of art to display.

SOCIAL SERVICES

Housing Benefit

Mr. Squire asked the Secretary of State for Social Services what is his estimate of the number of standard housing benefit recipients with capital of over *(a)* £3,000 and *(b)* £6,000.

Mr. Whitney: I shall let my hon. Friend have a reply as soon as possible.

Mrs. Beckett asked the Secretary of State for Social Services what the estimated savings will be as a result of the proposal in the housing benefit review to exclude students from eligibility for housing benefit and to overhaul the student grant provision for housing cost accordingly; and if the proposed exclusion is (i) total and (ii) still allows benefit to be paid in the long vacation.

Mr. Newton: An estimate of the savings which would result from the housing benefit team's proposal cannot be made until the future structure of the system of student support is known.

Hypothermia

Ms. Clare Short asked the Secretary of State for Social Services what is his latest estimate of the number of pensioners who die of hypothermia each year.

Mr. John Patten: The numbers of deaths registered in 1984, of males aged 65 and over and females aged 60 and over with mention of hypothermia on the death certificate, were 165 and 312, respectively.

Supplementary Benefit

Mrs. Beckett asked the Secretary of State for Social Services if he will publish the figures for a proportion of those claimants between the ages of 18 to 25 years in receipt of supplementary benefit at (i) full householder rate, (ii) joint householder rate, that is the difference between (i) and (iii) divided by the number of tenants and (iii) non-householder rate.

Mr. Whitney: The information, based on provisional figures for December 1983, is as follows:

*Claimants aged 18 to 25**	*Proportion in receipt of supplementary benefit (per cent.)*
Householders	30
Joint Householders	2
Non-householders†	68

Notes:
* ie, not including 25 year old claimants
† includes boarders, hospital patients and claimants in residential homes
Source: Annual Statistical Enquiry, December 1983

Mr. Meacher asked the Secretary of State for Social Services how many 16 to 17-year-olds have lost or received reduced supplementary benefit because of refusal to take advantage of a youth training scheme in October, November and December 1984, respectively.

Mr. Whitney: Failure to take advantage of a youth training scheme does not result in the cessation of full benefit but may result in a reduction. The number of 16 to 17-year-olds whose supplementary benefit was reduced because of refusal to take advantage of a youth training scheme without good cause in October, November and December of 1984 is given in the table:

4-week periods	26 September 1984 to 23 October 1984	24 October 1984 to 20 November 1984	21 November 1984 to 18 December 1984	19 December 1984 to 15 January 1985
Number who refused to accept or attend schemes	40	42	32	35
Number who prematurely terminated schemes	649	716	579	357
Total	689	758	611	392

Mr. Meacher asked the Secretary of State for Social Services what percentage of single claimants aged 18, 19, 20, 21, 22, 23, 24 and 25 years respectively, received *(a)* supplementary benefit as a non-householder in April and *(b)* supplementary benefit in their own right but share their home with people other than parents.

Mr. Whitney: I shall let the hon. Member have a reply as soon as possible.

Social Fund

Mrs. Beckett asked the Secretary of State for Social Services if he will publish draft guidelines necessary for the regulation of repayments made on loans from the proposed social fund, particularly in respect of (i) period of repayment, (ii) scale of repayments and (iii) discretionary powers to waive repayments.

Mr. Newton: We shall, of course, give appropriate information about the working of the proposed fund in these and other respects. How this should be done is a matter for further consideration in the light of consultation, as is the detail of any rules on the particular points raised by the hon. Member.

Family Incomes

Mr. Forman asked the Secretary of State for Social Services how many families in work with dependent children have normal gross weekly incomes, excluding state benefits, in the following income ranges: £90 to £94, £95 to £99, £100 to £104, £105 to £109, £110 to £114, £115 to £119, £120 to £124, £125 to £129, £130 to £134, and £135 to £140; and how many in each income range have *(a)* one child, *(b)* two children, *(c)* three children and *(d)* four or more children.

Mr. Whitney: The information requested is as follows:

Great Britain

Number of Working Families according to Family Size at various income levels

Normal gross weekly income excluding state benefits £	Number of children 1	2	3	4+	All families with children
90-94	48,000	49,000	17,000	5,000	119,000
95-99	42,000	61,000	9,000	3,000	115,000
100-104	58,000	70,000	28,000	11,000	167,000
105-109	63,000	76,000	18,000	8,000	165,000
110-114	49,000	78,000	13,000	5,000	145,000
115-119	60,000	57,000	23,000	8,000	148,000
120-124	65,000	82,000	22,000	5,000	174,000
125-129	102,000	65,000	13,000	11,000	191,000
130-134	73,000	68,000	13,000	3,000	157,000
135-140	96,000	92,000	49,000	19,000	256,000
Total					1,637,000

Notes:
1. The figures are derived from 1981 family expenditure survey data and are subject to sampling error.
2. The figures include those where the family head had been sick or unemployed for less than three months at the time of the survey. In these cases the family's normal income when the head was in work has been used in determining income level.
3. The figures exclude those living in institutions.

Family Expenditure

Mr. Forman asked the Secretary of State for Social Services when he expects to be able to publish the 1983 "Family Expenditure Survey" results *(a)* on take-up and *(b)* on the numbers of low-income families.

Mr. Whitney: For those benefits where take-up estimates are to be based solely on 1983 family expenditure survey data, results are expected to be available in the autumn. Estimates of numbers of low-income families are also expected to be available about them.

Family Credit

Mr. Forman asked the Secretary of State for Social Services what arrangements will be made for payment of the proposed family credit to self-employed people.

Mr. Newton: Where there is no employer, arrangements for payment of the proposed family credit are likely to be on similar lines to those used generally within the social security system.

Vaccines

Mr. Ashley asked the Secretary of State for Social Services why batches of triple vaccine and polio oral

vaccine have been withdrawn from Scottish clinics and hospitals; and if he intends to withdraw any batches in England and Wales; and if he will make a statement.

Mr. John Patten: Following the reported deaths of twin boys in Scotland shortly after immunisation, the batches of the vaccines involved were withdrawn in Scotland and arrangements have been made to ensure that the batches in question are not used in England, Wales and Northern Ireland. These were precautionary measures and pending investigation. There is no reason at present to believe that the vaccines were responsible for the deaths.

National Insurance

Dr. Glyn asked the Secretary of State for Social Services what is the latest estimate of the number of *(a)* men over 65 years of age and *(b)* women over 60 years of age; and how these figures compare with the current estimate for the total numbers who are currently paying national insurance contributions.

Mr. Whitney: The latest comparable information covering the United Kingdom is for 1983, as follows:

	(Millions)
National Insurance contributors	23·4
Resident population estimates:	
Men (65 and over)	3·3
Women (60 and over)	6·8

Monyhull Hospital

Mr. Alfred Morris asked the Secretary of State for Social Services if he is satisfied with the staffing levels and structural conditions at the Monyhull hospital for the mentally handicapped in south Birmingham.

Mr. John Patten: We are not aware of any particular problems at this hospital. Staffing levels and structural conditions are, of course, the responsibility of local management, in this case the South Birmingham health authority. If the right hon. Member has a particular concern, I suggest he writes direct to the chairman of the South Birmingham health authority giving details.

Diabetes

Mr. Alfred Morris asked the Secretary of State for Social Services which district health authorities do not have *(a)* a specialist in diabetes or *(b)* a diabetes specialist nurse.

Mr. John Patten: We do not collect this information centrally. However, the report by the Royal College of Physicians of London and the British Diabetic Association, "The Provision of Medical Care for Adult Diabetic Patients in the United Kingdom 1984," copies of which I have placed in the Library, does contain the results of a study of the distribution of specialists in diabetes.

Nurses

Dr. David Clark asked the Secretary of State for Social Services how many nurses were employed in the National Health Service in 1979; and what is the latest available figure.

Mr. Kenneth Clarke: The total number of nursing and midwifery staff — including learners, unqualified and agency staff—in the National Health Service in England at 30 September 1979 was 358,400 in whole-time equivalent terms, compared with a provisional total of 397,900 at 30 September 1984.

Waiting Lists

Mr. Ashley asked the Secretary of State for Social Services (1) what effect the recommendations of the resouce allocation working party have had on hospital facilities and waiting lists in north Staffordshire;

(2) if he will tabulate, according to the clinical speciality, the number of patients on north Staffordshire who are on waiting lists for *(a)* urgent treatment and *(b)* non-urgent treatment; and if he will give the totals in each of these two categories;

(3) if, pending a reduction in hospital waiting lists, he will provide additional resources to enable patients needing urgent attention to be treated at hospitals with short waiting lists in other parts of the United Kingdom; and if he will make a statement;

(4) what steps he plans to take in conjunction with the West Midlands regional health authority to cut hospital waiting lists in north Staffordshire; and if he will make a statement.

Mr. John Patten: National Health Service inpatient waiting lists in September 1984 were almost 70,000 lower than those at March 1979. They would have been lower still but for the industrial action in 1982. Within this national picture, the position varies between health authorities and the latest figures for north Staffordshire are set out in the following table. Responsibility for getting this figure down lies with local management. West Midlands regional health authority has consistently received significant levels of growth money after allowing for pay and prices and, in line with the recommendations of the resource allocation working party, has been allocating an increasing proportion of these funds to those districts furthest from their RAWP targets, including north Staffordshire. In 1985-86 the district, as part of its revenue allocation of almost £80 million, will receive growth money of some £1·5 million, the highest of the region's 22 districts. It is the region's stated policy to continue to move money to its districts which historically have been relatively deprived, and we would expect this shift to be reflected in reductions in waiting lists as the policy takes effect.

Number of persons on inpatient waiting list for admission to NHS hospitals in north Staffordshire DHA on 30 September 1984

Specialty	*Urgent cases*	*Non-urgent cases*
General medicine	5	—
Dermatology	—	3
Neurology	—	113
Cardiology	—	146
Rheumatology	—	23
Younger disabled	—	5
General surgery	409	1,787
Ear, nose and throat	20	980
Traumatic and orthopaedic surgery	278	3,021
Ophthalmology	7	558
Urology	—	228
Plastic surgery	1	332
Thoracic surgery	3	24
Neurosurgery	—	64
Gynaecology	30	1,806
Mental handicap	—	4

Specialty	Urgent cases	Non-urgent cases
Mental illness	—	30
Other specialist units	3	12
Total	756	9,136

Footnotes:
Classification as urgent or non-urgent is decided by the clinician in charge as at the date to which the return relates. In general, figures in waiting lists are believed to include a significant proportion of duplicated entries and patients who no longer require treatment. About half of all admissions to hospital are immediate and many of these on waiting lists already have a planned date of admission.

Social Security Review

Mr. Meacher asked the Secretary of State for Social Services whether the proposed tariff given in paragraph 2.89 of Cmnd. 9518 on reform of social security of 40 pence for each £100 of capital between £3,000 and £6,000 is calculated on the current rate of investment income.

Mr. Newton: No. The proposed rate of tariff reflects both the fact that the first £3,000 of capital and any income derived from it will continue to be ignored and our view that it is reasonable to expect claimants with capital between £3,000 and £6,000, who will gain entitlement to benefit, to draw to some extent on their capital for living expenses.

Benefit Entitlement

Mr. Meacher asked the Secretary of State for Social Services if the supplementary benefit capital limit of £3,000 is to be frozen until 1987.

Mr. Newton: We have at present no plans to change the £3,000 capital limit for supplementary benefit.

Mr. Meacher asked the Secretary of State for Social Services under the proposals in Cmnd. 9518, "Reform of Social Security," what benefit entitlement the under 25-year-olds will have if *(a)* they are married or cohabit and *(b)* they have children or a child; and whether special rates for the under 25-year-olds apply to those who are incapable of work as well as the unemployed.

Mr. Newton: Claimants aged under 25 who are married, or who are living together, would receive a separate rate of benefit for married couples under 25. Those under 25 who have children and those who are incapable of work would be eligible for premium rates of benefit on the same basis as other claimants.

Work Experts

Mr. Meacher asked the Secretary of State for Social Services what was the average level of work expenses taken into account when calculating earnings disregarded for the latest available year.

Mr. Whitney: I refer the hon. Member to my reply to the hon. Members for Thurrock (Dr. McDonald) and for Pontypridd (Mr. John) on 13 June at column *559*. I regret that there was an error in that reply in that the information about average costs was based on all lone parents in the study who were working and not just on those who incurred work expenses.

Single Parents

Mr. Meacher asked the Secretary of State for Social Services how many single parents are claiming income supplement; what is their current average earnings disregard; what is the present average level disregard in relation to fares to work; what is the present average disregard for meals; and how many single parents claiming family income supplement earn £5, £10, £15, £25, £30, £35, £40 and £45 per week, respectively.

Mr. Whitney: At the end of March 1985, the latest date for which figures are available, 82,000 one-parent families were receiving family income supplement (FIS). There are no disregards for earnings, fares to work or meals within the FIS scheme. Statistics relating to earnings levels are kept within bands and on this basis the information, which includes the self-employed, is as follows:

Gross earnings range £	Numbers (to the nearest 1000)
Nil–19·99	1,000
20·00–24·99	1,000
25·00–29·99	2,000
30·00–34·99	4,000
35·00–39·99	3,000
40·00–44·99	7,000
45·00–49·99	8,000
50·00 or more	56,000

Child Abuse

Mr. Peter Bruinvels asked the Secretary of State for Social Services if he proposes to issue a consultative paper setting out new guidelines on the role of local authorities in detecting and handling child abuse cases; and if he will make a statement.

Mr. John Patten: I shall let my hon. Friend have a reply as soon as possible.

Benefits

Mr. Gordon Brown asked the Secretary of State for Social Services (1) what is the combined rate of income support and personal allowance under his Green Paper proposals that would be required in 1985-86 to compensate a single pensioner who lost *(a)* heating addition, *(b)* clothing and dietary addition and *(c)* the average single payment, assuming additional resources to cover 20 per cent. of rates bills;

(2) what is the combined rate of income support and personal allowance that would be required in 1985-86 to compensate an unemployed person who loses *(a)* heating addition, *(b)* clothing and dietary addition and *(c)* the average single payment, assuming additional resources to cover 20 per cent. of rates bills;

(3) what is the combined rate of income support personal allowance and family premium that would be required in 1985-86 to compensate *(a)* a single parent and *(b)* a married couple who loses (i) heating addition, (ii) clothing and dietary addition and (iii) the average single payment, assuming additional resources to cover 20 per cent. of rates bills.

Mr. Newton [*pursuant to his reply*, 7 June 1985, c. *290-91*]: The information is not available in the form

requested. However, so far as the current supplementary benefit scheme is concerned and on the basis of the assumptions set out, present possible entitlements of each of these types of claimants are as follows:

	£
Pensioners (single householder)	40·82
Unemployed	
(single householder)	34·17
(married couple)	51·67
Lone Parent (single householder)	
—on ordinary scale rate	34·17
—on long term scale rate	40·82

The assumptions are:

—that 1984 scale rates are in payment.
—that where the additional requirements are standard, the lower rate is in payment.
—that where the additional requirement is not standard the average amount based on the latest available data (for December 1983) is in payment.
—account is taken of the available scale margin where relevant.

No account is taken of single payments since they do not form part of weekly requirements.

Social Security Costs

Mr. Harvey asked the Secretary of State for Social Services what is his estimate of the average cost to the Exchequer of a single person on social security; what is his estimate of the cost to the Exchequer of an average family on social security; and what was the total cost to the Exchequer of social security and unemployment benefits in the latest financial year for which figures are available.

Mr. Whitney [*pursuant to his reply*, 27 June 1985, c. *476*]: The estimated average weekly payment of supplementary benefit in December 1983 was £16·54 for single people without dependants and £45·04 for couples with two children. These estimates do not include the cost of single payments, urgent needs payments and other "immediate" payments.

The estimated total cost in 1984-85 of unemployment benefit and supplementary benefit was £7,960 million. The estimated yield from the taxation of these benefits was about £625 million. Estimates of tax losses depend on a variety of assumptions, and meaningful estimates are not possible.

TRADE AND INDUSTRY

Textile Clothing Industry

15. **Mr. Pike** asked the Secretary of State for Trade and Industry what recent representations he has had about the future of the textile clothing industry.

Mr. Norman Lamont: My right hon. Friend and I have received a number of recent representations in favour of the renewal of the multi-fibre arrangement beyond July 1986, and others requesting Government assistance for the textile and clothing industries following the European Commission's rejection of the proposed CLOFT scheme.

Waste Recycling

18. **Mr. Hirst** asked the Secretary of State for Trade and Industry what discussions the Parliamentary Under-Secretary of State with co-ordinating responsibility for waste recycling has had with representatives of the recycling industry.

Mr. Trippier: I met representatives of the United Kingdom reclamation council on 12 March and I expect to have a further meeting with them before the summer recess. I shall also be having informal discussions with representatives of the recycling industry when I visit Warren Spring laboratory on 10 July.

Non-oil Visible Trade

19. **Mr. Wrigglesworth** asked the Secretary of State for Trade and Industry if he will make a statement on the deficit in non-oil visible trade for the first quarter of 1985.

Mr. Fletcher: Non-oil visible trade showed a deficit of £3·2 billion in the first quarter of this year. At the same time, the current account as a whole was broadly in balance despite the effects of the coal dispute.

"Support for Business"

20. **Mr. John Browne** asked the Secretary of State for Trade and Industry what response he has received to his publication, "Support for Business".

Mr. Tebbit: Since support for business was issued in April, the London central inquiry point, whose number is given in the booklet, has received just under 1,800 telephone calls about DTI support schemes.

The regional inquiry points have also received many calls in response to the booklet.

Steel Industry

21. **Mr. James Hamilton** asked the Secretary of State for Trade and Industry when he will next meet the chairman of the British Steel Corporation to discuss the proposed corporate plan for the steel industry.

Mr. Norman Lamont: I meet the BSC Chairman from time to time to discuss major issues including the Corporation's planning. At present no further meetings have been arranged.

New Companies

22. **Mr. Ron Brown** asked the Secretary of State for Trade and Industry how many new companies were registered in Britain in the last 12 months.

Mr. Trippier: In the 12 months June 1984 to May 1985, there were 102,000 new company registrations in Great Britain.

British Leyland

23. **Mr. Bruce** asked the Secretary of State for Trade and Industry what representations he has received about the implications for the level of employment within BL of the recently agreed corporate plan.

Mr. Norman Lamont: None.

30. **Mr. Parry** asked the Secretary of State for Trade and Industry what representations he has received since his statement on the BL corporate plan.

Mr. Norman Lamont: Since my right hon. Friend's announcement, he has received two letters from hon. Members about the possible effect on BL's suppliers if the company were to purchase the bulk of its engine requirements from Honda. My right hon. Friend made it clear to the House at the time of the announcement that this was not proposed, and that the Government supported BL's proposals in the field of engine development and manufacture.

Craft and Starter Workshops

24. **Mr. Steen** asked the Secretary of State for Trade and Industry what is his policy towards the promotion of craft and starter workshops; how many have been started in each of the last three years; and what has been the level of Government support.

Mr. Trippier: It is our policy to encourage the development of craft and starter workshops. I am arranging for a table to be published in the *Official Report* giving details of small workshops funded by Government agencies which have been started in the last three years. Figures for the level of financial support are not available.

Number of small workshops started in each of the last three financial years

	1982-83	*1983-84*	*1984-85*
England			
Units up to 1,250 sq ft			
English Industrial Estates Corporation for Department of Trade and Industry	299	210	332
for Development Commission	145	113	191
Total	444	323	523
Wales			
Units up to 1,000 sq ft			
Wales Development Agency	47	20	—
Development Board for Rural Wales	10	18	68
Total	57	38	68
Scotland			
Units up to 1,000 sq ft			
Scottish Development Agency	69	47	93
Highlands and Islands Development Board	20	33	13
Total	89	80	108

China

25. **Mr. James Lamond** asked the Secretary of State for Trade and Industry if his Department has made any estimate of the possible growth in imports of textile and clothing goods from the People's Republic of China in the next five years.

Mr. Trippier: United Kingdom imports of textiles from China are subject to the provisions of the EC-China textile agreement which last until the end of 1988, but their growth will also be affected by various commercial factors. This Agreement falls within the multi-fibre arrangement, and we are pressing for this to be renewed for 4-5 years from July 1986.

School Mini-enterprises

26. **Mr. Grylls** asked the Secretary of State for Trade and Industry how many school mini-enterprises are now in existence.

Mr. Butcher: It is estimated that at the moment more than 1,500 mini-enterprises are operating in schools.

British Computer Companies

27. **Mr. Meadowcroft** asked the Secretary of State for Trade and Industry what representations he has received recently advocating further measures designed to protect the commercial interests of British computer companies in the light of trading practices of foreign competitors.

Mr. Butcher: We have received no such representations.

Japan

28. **Mr. Chapman** asked the Secretary of State for Trade and Industry if the visible trade deficit with Japan has been reduced in the first half of 1985 as compared with the equivalent period in 1984; and if he will make a statement.

Mr. Norman Lamont: The latest available figures show that our provisional bilateral trade deficit with Japan in the first five months of 1985 was £1,331 million compared with £1,169 million in the corresponding period last year.

Iran (Talbot Car Kits)

29. **Mr. Nellist** asked the Secretary of State for Trade and Industry if he will make a statement on the current position with regard to the Talbot contract to supply car kits to Iran.

Mr. Butcher: I understand the Talbot Motor Company have signed an agreement with the relevant Iranian authorities for cash payments in respect of car kits and aim to re-start production at their Stoke plant on August 5.

Job Creation

31. **Mr. Patrick Thompson** asked the Secretary of State for Trade and Industry if he will make a statement about jobs created as a result of Government grants under section 8 of the Industry Act.

Mr. Trippier: In contrast to section 7 of the Industrial Development Act 1982, which is specifically about employment in the assisted areas, section 8 schemes and project support contribute only indirectly to jobs because their thrust is towards economic benefit and the national interest generally. Job creation is not a criterion for section 8 support, so we do not keep records of jobs directly created. However, I am confident that assistance aimed at improving the ability of United Kingdom industry to compete worldwide can only assist in preserving and creating employment over time.

Small Firms

32. **Mr. Galley** asked the Secretary of State for Trade and Industry how many business counsellors are under contract to his Department's small firms service.

Mr. Trippier: There are 286 business counsellors under contract to the Department of Trade and Industry's small firms service.

34. **Mr. Neil Hamilton** asked the Secretary of State for Trade and Industry what studies he makes of the relative performance of the small firms sector in other countries.

Mr. Trippier: My Department regularly monitors the policies of other countries in respect of small firms. Indeed, I am visiting the United States in two weeks' time and I will take the opportunity to discuss the United States approach to a wide range of small business issues.

Aerospace Industry

35. **Mr. Robert Atkins** asked the Secretary of State for Trade and Industry when he last met representatives of the British aerospace industry to discuss the implications for the industry of collaborative aircraft projects.

Mr. Butcher: As part of a regular exchange of views with representatives of the British aerospace industry my hon. Friend has recently discussed the implications for the industry of collaborative aircraft projects.

Brim Measure Beer Glasses

36. **Mr. Colvin** asked the Secretary of State for Trade and Industry if he will make a statement on the report of the Eden committee about implementation of section 19 of the Weights and Measures Act 1979 outlawing brim measure beer-glasses.

Mr. Butcher: I believe that it would be premature to consider implementing section 19 of the Weights and Measures Act 1979 until alternative voluntary measures have been explored and consultation on the Eden committee report has been completed.

European Community Trade Mark Office

37. **Mr. Dykes** asked the Secretary of State for Trade and Industry if he is satisfied with the progress to date in his Department's efforts to promote the cause of a United Kingdom location for the proposed European Community Trade Mark Office.

Mr. Trippier: Yes. Our Community partners and the European Commission have been made well aware that it is the Government's firm desire that the office should be located in london. The Government expect to recommend a particular site to the Commission later this year.

Business Improvement Services

38. **Mr. Gerald Howarth** asked the Secretary of State for Trade and Industry whether he is satisfied with the take-up of grants by small companies under the business improvement services.

Mr. Trippier: Yes. As at 31 May 1985 my Department had made 1,066 offers of grant, worth £5,977,969 in the English regions. I am very pleased with this result.

Chemical Weapons (Iran)

39. **Mr. Mikardo** asked the Secretary of State for Trade and Industry what licences have been issued in 1985 for the export of chemical weapons or of weapons-grade chemicals to Iraq.

Mr. Butcher: None.

Small Businessess (Venture Capital)

40. **Mr. Amess** asked the Secretary of State for Trade and Industry what discussions he has had with banks concerning taking more risks in the provision of venture capital to small business; and if he will make a statement.

Mr. Trippier: The Government have sought through initiatives such as the loan guarantee scheme and the business expansion scheme to improve small firms' access to finance. I hope that a secondary effect of these schemes will be to change the attitude of financial institutions, including banks, to risk taking. I will continue to discuss these matters with a variety of financial institutions.

44. **Mr. Bellingham** asked the Secretary of State for Trade and Industry if he will take steps to encourage local enterprise agencies to set up business expansion scheme funds which specialise in channelling venture capital of under £50,000 to small firms.

Mr. Trippier: I am anxious that local enterprise agencies should be fully aware of the benefits which the business expansion scheme can offer to potential investors and small companies. I am therefore considering issuing guidance notes designed to inform them of ways in which they might help bring together investors and companies seeking small scale equity capital.

Tobacco Products

41. **Mr. Nicholas Brown** asked the Secretary of State for Trade and Industry what information he has as to the total volume and value of imports of tobacco products into the United Kingdom in each year since 1979.

Mr. Butcher: The information requested is as follows:

	Volume (000's Kg)	*Value (000's £)*
1979	13,774	45,258
1980	13,122	56,041
1981	13,131	49,732
1982	13,146	68,866
1983	14,864	64,660
1984	21,675	67,089

Source: Business Monitor

New Businesses

42. **Mr. Kenneth Carlisle** asked the Secretary of State for Trade and Industry how many new businesses were registered; and how many businesses ceased trading over the last 12 months.

Mr. Trippier: The most recently available figures for 1984 show that 170,000 new businesses started up and 120,000 ceased trading. These figures, which are based upon VAT returns, are liable to revision but the eventual surplus of starts over stops is expected to be in excess of 35,000.

Small Firms Centres

43. **Mr. Peter Bruinvels** asked the Secretary of State for Trade and Industry if he has any plans to set up

additional small firms centres; what liaison there is between existing centres and local enterprise agencies; and if he will make a statement.

Mr. Trippier: In May my hon. Friend, the Parliamentary Under-Secretary of State for Scotland opened the 13th small firms centre in Edinburgh. I have no plans to provide additional small firms centres at this time.

There is considerable and close contact between the small firms service and local enterprise agencies. SFS counselling now takes place in some LEA offices; the LEAs make extensive use of SFS publications; and SFS managers and LEA directors meet regularly. I am encouraging the development of these contacts.

Conferences and Tourism

45. **Mr. Gregory** asked the Secretary of State for Trade and Industry what plans he has to encourage the United Kingdom conference tourism market.

Mr. Norman Lamont: The Government recognise that the conference sector is an important element of the tourism market. It is one of the functions of the statutory tourist boards to encourage the development of this sector, and the British Tourist Authority seeks to promote Britain as a venue for international conferences through co-operation with commercial interests, by providing information and advisory literature and by maintaining a data bank of forthcoming international events.

Origin Marking

33. **Sir John Farr** asked the Secretary of State for Trade and Industry what recent representations he has received about the EEC Court of Justice decision of 25 April about article 30 of the Treaty of Rome and origin marking.

Mr. Fletcher: Apart from my hon. Friend's own letter of 20 May, five letters have been received from other hon. Members and four letters from members of the public. My hon. Friend the Parliamentary Under-Secretary of State for Industry (Mr. Butcher) and I have answered questions from three hon. Members on the subject.

Trade Statistics

Mr. Austin Mitchell asked the Secretary of State for Trade and Industry whether he will publish in the *Official Report* for each year since 1970 the share of imports of manufactures into the United States of America taken by the United Kingdom, France, Germany, Italy and Japan, respectively.

Mr. Fletcher: The information is in the table. Data for 1984 in respect of France and Italy are not readily available.

United States of America imports of manufactures, proportions from (per cent.):

	United Kingdom	France	Federal Republic of Germany	Italy	Japan
1970	6·5	2·9	11·4	4·3	21·6
1971	6·3	2·9	11·4	4·0	22·8
1972	6·5	3·0	10·7	4·0	22·9
1973	6·7	3·1	11·1	3·6	20·5
1974	5·7	3·5	10·5	3·4	21·2
1975	5·8	3·5	9·6	4·0	21·2
1976	5·2	3·2	8·0	3·2	23·0
1977	4·9	3·2	8·7	3·2	23·4
1978	4·8	3·3	9·1	3·5	24·2
1979	5·0	3·5	9·1	3·8	23·2
1980	5·1	3·5	8·8	3·0	24·4
1981	4·6	3·4	7·4	3·1	26·3
1982	4·3	3·2	7·7	3·1	26·0
1983	4·3	3·0	7·2	2·9	25·0
1984	3·8	*	7·2	*	25·3

* Not available.

Sources:
1970-83—OECD.
1984—Highlights of United States Export and Import Trade.

Mr. Austin Mitchell asked the Secretary of State for Trade and Industry, whether he will publish in the *Official Report* a table showing the share of United Kingdom exports of manufactures taken by the United States of America and the Organisation of Petroleum Exporting Countries in each year since 1970 and in the current year to date.

Mr. Fletcher: The information is:

*United Kingdom Exports of Manufactures**

	Share going to: United States of America per cent.	OPEC per cent.
1970	11·0	5·1
1971	11·5	5·8
1972	12·5	6·1
1973	12·8	6·2
1974	11·1	7·0
1975	9·2	11·2
1976	9·9	12·3
1977	9·4	13·4
1978	9·9	13·5
1979	9·7	9·3
1980	9·3	11·0
1981	10·1	13·9
1982	10·2	13·5
1983	12·6	11·3
1984	13·9	8·9
†1985	15·4	9·0

* Standard International Trade Classification, sections 5 to 8.
† January to May.
Source: United Kingdom Overseas Trade Statistics.

Mr. Austin Mitchell asked the Secretary of State for Trade and Industry, whether he will publish in the *Official Report* a table showing for trade in manufactures each year since 1970 the value of each European Economic Community member's exports to other members in terms of European Currency Units and the corresponding figure for exports to third countries.

Mr. Fletcher: The information is:

*European Community Exports of Manufactures**

(1) Intra-EC trade

billion ECUs

	FR Germany	France	Italy	Netherlands	Belgium/ Luxembourg	United Kingdom	Ireland	Denmark	Greece
1970	14·0	6·7	5·4	4·6	7·0	4·7	0·3	0·6	0·1
1971	16·1	7·5	6·1	5·5	7·2	5·2	0·3	0·6	0·1
1972	17·3	9·0	7·1	6·2	8·8	5·4	0·4	0·7	0·2
1973	22·6	11·2	7·7	7·8	10·9	6·5	0·6	1·0	0·3
1974	28·8	14·1	9·5	10·8	13·5	8·6	0·8	1·2	0·4
1975	27·0	14·7	10·7	10·3	13·0	9·0	0·8	1·3	0·4
1976	36·2	17·8	13·7	13·3	17·3	11·6	1·1	1·7	0·7
1977	40·0	20·0	15·8	13·7	18·5	14·2	1·4	1·7	0·7
1978	43·8	23·0	18·3	14·3	20·2	16·0	1·7	2·0	0·7
1979	52·0	27·9	22·1	17·2	23·1	19·9	2·1	2·5	0·8
1980	56·6	30·1	23·4	18·6	25·0	23·3	2·6	2·9	0·9
1981†	59·2	29·9	24·6	18·5	24·8	21·6	3·0	3·0	1·0
1982	70·1	30·9	28·5	21·0	26·9	22·8	3·7	3·3	1·1
1983	74·3	33·8	32·0	22·7	29·3	22·9	4·3	3·8	1·4
1984	84·7	38·8	35·9	26·2	32·2	27·3	5·3	4·1	1·7

(2) Extra-EC trade

	FR Germany	France	Italy	Netherlands	Belgium/ Luxembourg	United Kingdom	Ireland	Denmark	Greece
1970	16·7	6·7	3·7	2·2	2·6	11·6	0·1	1·2	0·1
1971	19·0	7·1	6·0	2·3	2·6	13·0	0·1	1·3	0·1
1972	20·1	8·1	6·8	2·6	3·0	13·0	0·1	1·4	0·1
1973	26·1	9·9	7·4	3·5	4·0	14·3	0·2	1·7	0·2
1974	37·3	13·7	11·4	5·3	5·8	18·2	0·3	2·4	0·4
1975	37·1	17·2	12·8	5·4	5·4	20·4	0·3	2·6	0·5
1976	44·7	20·2	14·3	6·7	6·0	22·7	0·4	3·0	0·6
1977	51·3	23·0	17·6	7·2	7·2	26·7	0·5	3·3	0·7
1978	54·3	23·6	19·0	7·6	7·7	29·1	0·6	3·2	0·6
1979	57·7	27·3	21·8	7·9	7·9	31·2	0·6	3·6	0·6
1980	63·5	30·4	24·3	9·0	9·4	38·4	0·8	4·0	1·0
1981†	73·2	36·0	32·2	8·8	10·2	38·1	1·0	4·9	1·2
1982	83·1	38·3	33·1	9·6	10·8	39·6	1·3	5·2	1·2
1983	87·5	41·0	36·7	10·9	12·3	37·6	1·7	6·1	1·2
1984	100·8	47·7	43·2	13·0	14·4	42·8	2·4	7·2	1·4

Notes

* Standard International Trade Classification, Sections 5 to 8.

† Owing to a difference in the method of compilation, figures from 1981 are not strictly consistent with those before.

Sources: Eurostat Monthly Bulletin 1958-83; CRONOS

Mr. Austin Mitchell asked the Secretary of State for Trade and Industry whether he will publish in the *Official Report* a table showing the United Kingdom share of the volume of world trade in manufactures each year since 1970.

Mr. Fletcher: The information is:

United Kingdom share of MMC exports of manufactures at 1980 prices*

	Percentages
1970	12·5
1971	12·5
1972	11·6
1973	11·6
1974	11·0
1975	11·2
1976	10·9
1977	11·2
1978	10·7
1979	10·0
1980	9·7
1981	8·9
1982	9·2
19[illegible]	8·9
19[illegible]	† 8·7

* Main manufacturing countries

† Estimate

Exports

Mr. Austin Mitchell asked the Secretary of State for Trade and Industry, further to his reply dated 20 June, *Official Report*, column *174*, concerning the profitability of exports, what has been the effect of the increase in profitability on the United Kingdom share of world trade in manufactures since 1973 to 1976 and on the United Kingdom share of the United Kingdom market for comparable goods.

Mr. Fletcher: The United Kingdom share of both the home market and of world trade have declined in recent years, as have these shares for other comparable countries. It is not possible to separate the effect of profitability of exports from other factors such as competitiveness in design, delivery performance and reliability.

Employment Creation

Mr. Adley asked the Secretary of State for Trade and Industry what measures he plans to encourage employment creation in the more economically deprived areas of the United Kingdom.

Mr. Trippier: The new regional industrial policy, details of which were announced last November, is

designed specifically to encourage the creation of jobs in those parts of the country which the Government consider to have the greatest need for future employment opportunities.

Aerospace

Mr. Moynihan asked the Secretary of State for Trade and Industry what is the national share in the European Space Agency, EUTELSAT and Airbus Industrie, respectively.

Mr. Butcher: The Government's contribution will represent some 13·8 per cent. of the European Space Agency 1985 budgets. British Telecom plc holds a 16·4 per cent. share in EUTELSAT, and British Aerospace plc a 20.0 per cent. share in Airbus Industrie.

Stock Exchange

Mr. Dykes asked the Secretary of State for Trade and Industry if he will make a statement on the operation of the Restrictive Trade Practices (Stock Exchange) Act 1984 and on the extent to which undertakings given by the Stock Exchange Council prior to the passage of the Act have so far been implemented.

Mr. Fletcher: Since the ending of the restrictive practices court proceedings against the Stock Exchange, the Stock Exchange has put in hand a far-reaching programme of reform including the measures agreed with the Government in 1983. There have been major changes in the previous rules on non-member ownership of firms; lay members have been admitted to the council; an appeal body has been established to review refusals of Stock Exchange membership; and a majority of lay persons has been introduced onto the appeal committee on disciplinary matters. New dealing systems have been promulgated and the first steps taken towards dismantling minimum commission scales. The council's policy remains to complete the reforms within the deadline of 31 December 1986 agreed with the Government.

Tourism

Mr. Alfred Morris asked the Secretary of State for Trade and Industry when he expects the outcome of the inquiry into tourism to be concluded; if he will obtain a copy for the inquiry of the evidence presented by the north of England regional consortium to the Trade and Industry Committee; and if he will make a statement.

Mr. Trippier: The work on tourism being carried out under the chairmanship of the Minister without Portfolio is likely to be completed before the end of this month. The north of England regional consortium has already sent to the Minister without Portfolio a copy of the evidence on tourism which it gave to the Select Committee on Trade and Industry.

Regional Policy

Mr. Adley asked the Secretary of State for Trade and Industry if he is satisfied with the effectiveness of the Government's regional policies; and if he will make a statement.

Mr. Trippier: The revised regional policy, with its emphasis on job creation, is more directly related to reducing disparities in employment opportunities and will be more cost-effective than its predecessors. However, it has been in operation for only a few months and full assessment of its effects will not be possible for some time.

Technological Exports (China)

Mr. Dalyell asked the Secretary of State for Trade and Industry if he will increase the number of staff in his Department dealing with applications for licensing in relation to exporting high-level communications and instrumentation to China.

Mr. Fletcher: We have recently done so, and are keeping the position under review.

South Africa

Mr. Frank Field asked the Secretary of State for Trade and Industry why his Department is analysing the sections of companies' responses under the EC code of conduct which relate to pay on the basis of supplementary living levels which are in general 30 per cent. higher than the minimum living levels rather than on the basis of minimum living levels plus 50 per cent.; and when his Department intends to analyse responses on the basis of the 50 per cent. plus basis called for in the EC Code itself.

Mr. Fletcher: The code of conduct does not define precisely the target level of pay for black African workers. The explanatory guidance published with the code in Cmnd. 7233 interprets this target as equivalent to either of two recognised independent standards. In common with the great majority of reporting companies, my Department has adopted the supplemented living level for a family of five as the most appropriate standard. I have no plans to change this practice.

Mr. Frank Field asked the Secretary of State for Trade and Industry in a case where a company has used a poverty datum level other than that used by his Department in its analysis of company responses under the EC code for companies with interests in South Africa, how he calculates the number of those employees in grades above the lowest paid grade who are paid at a level above the upper datum level used by the company and below the level used by the Department without further reference to the companies concerned.

Mr. Fletcher: Reference is made to the companies concerned, both in the United Kingdom and in South Africa, if such problems arise.

Mr. Frank Field asked the Secretary of State for Trade and Industry how many of the companies submitting full reports under the EC code of conduct for companies with interests in South Africa for the period ended June 1984 used, in responding to section 3 of the code, the supplementary living level or minimum living level plus 50 per cent. for families of size 5 in areas where the all households (average) level was higher.

Mr. Fletcher: As indicated in my reply to the hon. Member on 21 May 1985, average family sizes in different regions of South Africa are not known. The all households (averge) data tabulated in surveys are statistical means and do not relate to actual family sizes.

Mr. Frank Field asked the Secretary of State for Trade and Industry how many companies submitting reports

under the EC code of conduct for companies with interests in South Africa for the period ended in June 1984 do not include all of their women employees, in their responses to all the parts of section 3 of the reporting format on pay; and if Her Majesty's Government ask any further questions of such companies.

Mr. Fletcher: Reports from 10 companies gave insufficient information about the wages paid to some female employees. The companies concerned were invited to amplify their reports.

Mr. Frank Field asked the Secretary of State for Trade and Industry how many companies his Department questioned further on any matter relating to their responses to the EC code for companies with interests in South Africa for the period ended 30 June 1984; and what were the broad areas of such inquiries.

Mr. Fletcher: The information requested could only be provided at disproportionate cost. The subsidiaries of all the major British companies reporting under the code are visited in South Africa at least once a year, and less important companies somewhat less frequently. Reports are discussed with companies in the United Kingdom as necessary. All aspects of the code may be covered by such discussions.

Mr. Frank Field asked the Secretary of State for Trade and Industry how many of the 77 companies making clear that their response to the EC code for companies with interests in South Africa for the period ended June 1984 was available from the company also made clear that its availability was indicated in their annual report and accounts.

Mr. Fletcher: All.

Mr. Frank Field asked the Secretary of State for Trade and Industry whether all companies are reminded of the Government's policy to encourage them to comply fully with the code of conduct for companies with interests in South Africa at the same time; or whether they are reminded on an individual basis.

Mr. Fletcher: All British companies known, or thought, to have interests in South Africa warranting a report under the code are periodically reminded individually of the Government's policy to encourage companies to comply fully with the code.

Director General of Telecommunications (Report)

Mr. Moynihan asked the Secretary of State for Trade and Industry if he is yet in a position to announce a date for the publication of the report by the Director General of Telecommunications for 1984; and if he will make a statement.

Mr. Pattie: The first report by the Director-General of Telecommunications is being published today. It covers the period 5 August 1984 to 31 December 1984. Copies of the report have been laid before Parliament.

Glanford and Scunthorpe

Mr. Hickmet asked the Secretary of State for Trade and Industry how many factory units, giving the floor space in each case, English Industrial Estates have constructed in Glanford and Scunthorpe since 1981; what is the total cost of construction; and how many have been occupied, by how many companies and how many jobs created.

Mr. Trippier [*pursuant to his reply*, 2 July 1985, c. 92]: The following factory units have been built by the English Industrial Estates Corporation in Glanford and Scunthorpe since 1981 at a total cost of about £6·3 million:

	Glanford	*Scunthorpe*	*Total*
Number of units constructed	45	11	56
Total floorspace (m ^{2})	11,804	15,462	27,266

Forty one of the units have been occupied at one time or another by a total of 40 companies, employing up to 524 workers. At present 36 units are occupied by 29 companies employing 434 workers. It is not practicable to estimate the number of jobs that would have been created as the sole consequence of these premises.

Whale and Turtle Products

Mr. Tony Banks asked the Secretary of State for Trade and Industry what whale or turtle products have been purchased by his Department during the past five years.

Mr. Butcher [*pursuant to his reply*, 2 July 1985, c. 92]: My Department does not keep records of purchases of whale or turtle products: the information in question is not available.

Written Answers to Questions

Thursday 4th July 1985

PRIME MINISTER

Falkland Islands

Q9. **Mr. Dalyell** asked the Prime Minister if Her Majesty's Government will seek discussions with the Government of Argentina about fishing and related ecological problems, including conservation of Antarctic cod and the protection of black-browed albatrosses and rockhopper penguins in the area around the Falklands.

The Prime Minister: We are actively working for the establishment of a multilaterally-based fisheries conservation and management regime around the Falkland Islands. We are conscious of the wider conservation issues involved, and the Falkland Islands have comprehensive legislation in the sphere of conservation and protection of the environment.

EC Internal Market (White Paper)

Q11. **Mr. Teddy Taylor** asked the Prime Minister what consideration she has given to the White Paper on the completion of the internal market which was prepared by the European Commission at the request of the Fontainebleau summit; and if she will make a statement.

The Prime Minister: Much of the White Paper accords with our own objectives for the completion of the Common Market. The Milan European Council endorsed these objectives as a high priority. Some of the other Commission proposals such as those on tax approximation and the abolition of frontier controls involve obvious difficulties for all member states. The European Council remitted the question of tax approximation for further study by the Council of Ministers for Financial Affairs.

Human Tissue (Member's Correspondence)

Mr. Dobson asked the Prime Minister when she intends to reply to the letter from the hon. Member for Holborn and St. Pancras about the buying and selling of human tissue.

The Prime Minister: I replied to the hon. Gentleman on 17 June 1985.

Engagements

Mr. Tony Lloyd asked the Prime Minister if she will list her official engagements for Thursday 4 July.

Mrs. Clwyd asked the Prime Minister if she will list her official engagements for Thursday 4 July.

Mr. Cohen asked the Prime Minister if she will list her official engagements for Thursday 4 July.

Sir John Farr asked the Prime Minister if she will list her official engagements for Thursday 4 July.

Mr. Adley asked the Prime Minister if she will list her official engagements for Thursday 4 July.

Mr. Boyes asked the Prime Minister if she will list her official engagements for Thursday 4 July.

Mr. Colvin asked the Prime Minister if she will list her official engagements for Thursday 4 July.

Mr. Gerald Howarth asked the Prime Minister if she will list her official engagements for Thursday 4 July.

Mr. Peter Bruinvels asked the Prime Minister if she will list her official engagements for Thursday 4 July.

Mr. Parry asked the Prime Minister if she will list her official engagements for Thursday 4 July.

Mr. Pike asked the Prime Minister if she will list her official engagements for Thursday 4 July.

Mr. Greenway asked the Prime Minister if she will list her official engagements for Thursday 4 July.

The Prime Minister: This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today.

ENERGY

Geothermal Energy Sources

Mr. Speller asked the Secretary of State for Energy what are his proposals for future funding of research into geothermal energy sources.

Mr. David Hunt: In a statement to Parliament on 2 July in answer to a question by my hon. Friend on the review of renewable energy by the Advisory Council on Research and Development, I said that my right hon. Friend the Secretary of State for Energy and I had accepted ACORD's advice to discontinue work on geothermal aquifers in order to concentrate resources into more promising technologies. The programme on geothermal hot dry rocks will continue and will be further reviewed when the present phase of the experiment at Rosemanowes in Cornwall is complete.

Magnox Reactors

Mr. D. E. Thomas asked the Secretary of State for Energy if he will provide information on the thermal energy generated and spent fuel discharged by each of the Central Electricity Generating Board magnox reactors in the fiscal year 1984-85; and if he will update to 31 March the information on the allocation of plutonium produced in the Central Electricity Generating Board and South of Scotland Electricity Board magnox reactors given in his reply to the hon. Member for Meirionnydd Nant Conwy on 25 January, *Official Report*, columns 545-47.

Mr. Goodlad: The thermal output generated and spent fuel discharged for each of the CEGB's magnox stations in 1984-85 was as follows:

Station	*Thermal output (Gwh)*	*Fuel Discharged (tonnes u)*
Bradwell	7,084	69
Berkeley	3,568	25
Hinkley Point A	14,479	103
Trawsfynydd	12,025	98
Dungeness A	10,345	87
Sizewell	8,081	76
Oldbury	11,352	80
Wylfa	25,916	223

Information on plutonium production in CEGB and SSEB magnox reactors is currently being updated and will be provided shortly.

Nuclear Fuel

Mr. Orme asked the Secretary of State for Energy what volume of spent irradiated nuclear fuel was imported for reprocessing at British Nuclear Fuel Ltd's Sellafield plant in 1984.

Mr. Goodlad: During the calendar yar 1984, 299 tonnes of irradiated magnox and oxide fuel (measured by the weight of uranium originally contained in the fuel) were imported for reprocessing at BNFL Sellafield.

North Sea Oilfields

Mr. Dewar asked the Secretary of State for Energy what was the total output of the North sea oilfields in 1984-85; how this output compares with that in the previous 10 years; and what are his Department's latest projections for future output.

Mr. Buchanan-Smith: Details of the total output of North sea oilfields, on a calendar year basis, are published annually in "Development of Oil and Gas Resources of the United Kingdom", copies of which are in the House of Commons Library. Appendices 8 and 16 of the 1985 issue provide the information sought.

EDUCATION AND SCIENCE

Teachers (Statistics)

Sir Peter Hordern asked the Secretary of State for Education and Science how many full-time and part-time teachers are 50 years old, or older; and what proportion they represent of the total number of teachers in each category.

Mr. Dunn: In March 1984, the latest date for which information is available, there were 40,700 full-time qualified teachers in maintained nursery and primary schools in England and Wales; in maintained secondary schools there were 35,800 such teachers. They represented, respectively, 23·5 per cent. and 14·8 per cent. of all full-time qualified teachers in those types of school. The age distribution of part-time teachers is not readily available.

Hampshire Schools

Mr. Hancock asked the Secretary of State for Education and Science if he will list the schools in Hampshire visited by Her Majesty's Inspectorate and the dates of the inspections in each case.

Mr. Dunn: The most recent information available is that for the spring term of 1985, and is as follows:

	Date of inspection
Hart Plain Middle	19 March
Hamble Primary	7 March
Hambledon First	24 January
Hythe Langdown Infants	12 February
Bursledon County Junior	20 March
Cowplain Wecock County First	25 January
Yateley Newlands Primary	13 February
Aldershot Newport Junior	10 January
Aldershot Newport Infants	11 January
Aldershot Park Junior	15 January
Aldershot Park Infants	15 January
Aldershot Belle Vue County Infants	17 January
Gosport Lee-On-Solent Junior	22 January
Gosport Haselworth	23 January
Gosport Woodcot County Primary	28 January
Gosport Lee-On-Solent Infants	8 March
Gosport Gomer Junior	24 January
Blendworth First	5 March
East Boldre Primary	16 January
Shedfield C. E. Primary	27 February
Aldershot St. Michaels C. E. Infants	17 January
Gosport Newtown C. E. Primary	31 January
Whitewater C. E. Primary	11 February
Waterlooville St. Peters R. C. Primary	6 March
Gosport Alverstoke C. E. Junior	7 March
Alton Eggars Comprehensive	14 March
Romsey Mountbatten Comprehensive	5 March
Alton Amery Hill Comprehensive	12 March
Hedge end the Wildern Comprehensive	4 March
Hythe Noadswood Comprehensive	20 March
Lymington Priestlands Comprehensive	11 March
Petersfield Comprehensive	13 March
Havant Warblington Comprehensive	22 January
Hayling Comprehensive	9 January
Purbrook Crookhorn Comprehensive	21 January
Fair Oak Wyvern Comprehensive	25 March
Dibden Purlieu Applemore Comprehensive	4 March
Winchester The Henry Beaufort Comprehensive	4 March
Havant Oak Park Comprehensive	23 January
Farnborough College (Sixth Form)	23 January
Gosport Bridgemary County Comprehensive	28 January
Southampton Oaklands Comprehensive	5 March
Aldershot All Hallows R. C. Comprehensive	22 February
Stanbridge Earls School	8 March
Yateley Hall	16 January
Drayton Manor	21 March
Allington manor	29 January
The Kings school	20 March
Lord Mayor Treloar Hospital School	7 February
Greenacres School	7 January
Limington House School	9 January
The Waterloo School	28 January

Universities (National Insurance Contributions)

Mr. Freud asked the Secretary of State for Education and Science (1) what recent representations he has received concerning changes in employers' national insurance contributions announced in the Budget as they affect universities; and whether he will make a statement;

(2) whether he is yet in a position to announce his policy for university funding in the light of the Budget changes in employers' national insurance contributions; and whether he will make a statement.

Mr. Brooke: My right hon. Friend has received representations from hon. Members, the Committee of Vice-Chancellors and Principals and others about the cost to universities of the proposed changes in employers' national insurance contributions. The possibility of providing additional funds is under consideration and it is not yet possible to say when an announcement will be made.

Handicapped Students

Mr. Malins asked the Secretary of State for Education and Science what provision his Department makes for the

inspection of private colleges for special education of handicapped students and for the review of the level of their residential fees.

Mr. Brooke: The decision to terminate by 1 April 1982 the former voluntary arrangements under which independent establishments of further education could apply to the Department for "recognition as efficient" was announced in the House on 11 November 1980, at column 131. Since 1982 there have been no arrangements for the inspection of such colleges. The Department has never been involved in the setting of fee levels at independent educational establishments.

ENVIRONMENT

Rate Support Grant

Mr. Watson asked the Secretary of State for the Environment when the 1985-86 rate support grant supplementary report will be published.

Mr. Patrick Jenkin: I have laid this report before the House today, together with the "Rate Support Grant Supplementary Report (No. 3) 1982-83".

The 1985-86 report demonstrates the consequences for ratepayers in those areas where local authorities have exceeded their spending targets.

Authorities were informed last December of their spending targets and of the grant holdback if they exceeded these targets. Despite this notice, a minority of authorities have chosen to overspend. They forgo £550 million of central Government grant as a result. Information about authorities spending plans for 1985-86 indicates they will over-run by £278 million the guidance I issued last December. £550 million is only 6·5 per cent. of the total of block grant of nearly £8,500 million, but for the ratepayers in the high spending areas the consequences of their authorities' decisions are severe.

Despite the overspending by a minority of authorities, it is good that the excess this year is markedly less than in 1984-85. This is a tribute to the success of the Rates Act. The Act has curbed the extravagance of the most profligate local authorities which in the past have been able to rifle the pockets of their ratepayers ruthlessly and with impunity. As we promised, the Government have come to these ratepayers' rescue.

The 1985-86 report also implements three established disregards, excluding from the calculation of grant holdback certain expenditure under the urban programme, on civil defence, and on schemes jointly financed with health authorities.

The report also announces that a new disregard has been agreed for 1985-86, for expenditure incurred by a local authority in contributing to any appeal to help victims or their dependents following a disaster leading to loss of life. This will be implemented in a subsequent supplementary report when sufficient information of authorities' spending under this head is available. The Government announced this disregard on 17 May in response to requests from local authorities following the Bradford fire disaster.

Three local authorities have so far failed to provide any information about their planned expenditure for 1985-86. I have therefore made estimates for Liverpool city council, Leicester City council and the London borough of Camden on the basis of the best information available to me. I shall reconsider these estimates when I have better information about these authorities' planned expenditure in 1985-86 and, if appropriate, make a further supplementary report for 1985-86.

I intend that the 1982-83 third supplementary report should "close the books" in the light of audited outturn expenditure information for all local authorities in 1982-83. There is no change to the total of grant and holdback for 1982-83, but there are small changes within the total for all authorities.

Sulphur Emissions

Mr. Lord asked the Secretary of State for the Environment whether the Government intend to sign the protocol on the reduction of sulphur emissions, which is expected to be agreed at the meeting of the executive body for the convention on long-range transboundary air pollution in Helsinki on 8 to 12 July, and so join the 30 per cent. club.

Mr. Waldegrave: The Government fully share the general will in Europe to overcome the environmental problems associated with transboundary air pollution. We have announced our aim of achieving a further reduction in sulphur dioxide emissions of 30 per cent. from the 1980 levels by the end of the 1990s. This would represent a total reduction in United Kingdom emissions of 47 per cent. from the peak levels in 1970. The protocol takes no account of the substantial emission reductions achieved by the United Kingdom before 1980. The Government consider that it would be wrong to commit the United Kingdom to the levels of investment that would be required to guarantee a reduction in sulphur dioxide emission by 1993 of 30 per cent. on the 1980 levels and we shall not, therefore, be signing the protocol in Helsinki.

Water Metering

Mr. Freeman asked the Secretary of State for the Environment when he expects to make a statement on the report of the Watts committee on water metering.

Mr. Macfarlane: After I have received the report and considered its implications. The committee awaits the results of work by consultants on the economics of metering and hopes to report soon thereafter.

Housing Revenue Accounts

Mrs. Currie asked the Secretary of State for the Environment if he will list all the local authorities in England and Wales which showed a surplus on their housing revenue account in each year since 1982.

Sir George Young: Local authorities in England which made net transfers from their housing revenue accounts to their general rate funds are as follows. The information is provided by local authorities in their housing subsidy claim forms. My Department does not collect information from local authorities in Wales.

County	Authority	1981-82	1982-83	1983-84	1984-85 (estimate)
Greater Manchester	Bury				X
Merseyside	St. Helens		X		
Tyne & Wear	South Tyneside				X
West Midlands	Dudley			X	X
Greater London	Barking & Dagenham		X	X	X
	Barnet		X		
	Bromley	X	X	X	X
	Ealing		X	X	X
	Havering	X	X	X	X
	Hillingdon	X	X	X	X
	Kingston upon Thames		X	X	X
	Merton			X	X
	Redbridge			X	X
	Sutton		X	X	X
Avon	Wandsdyke			X	X
	Woodspring	X	X	X	X
Bedfordshire	South Bedfordshire			X	
Berkshire	Bracknell	X	X	X	X
	Reading				X
	Slough	X	X	X	
	Windsor & Maidenhead	X	X	X	X
	Wokingham	X	X		
Buckinghamshire	Beaconsfield	X	X	X	X
	Wycombe	X			
Cambridgeshire	East Cambridgeshire	X	X	X	X
	Fenland	X			
Cheshire	Congleton	X	X	X	X
Cleveland	Stockton on Tees	X			
Cornwall	Carrick		X	X	X
	Kerrier				X
	Penwith			X	X
	Restormel	X	X	X	X
Cumbria	Barrow in Furness			X	X
	South Lakeland	X	X	X	X
Devon	East Devon		X	X	X
	Exeter	X	X	X	X
	North Devon		X	X	X
	Plymouth				X
	South Hams		X	X	X
	Mid Devon				X
	Torbay		X	X	X
Dorset	Bournemouth	X	X	X	X
	Christchurch				X
	North Dorset	X	X	X	X
	Poole			X	X
	Purbeck				X
	West Dorset			X	X
	Wimborne	X	X	X	X
East Sussex	Brighton	X	X	X	X
	Eastbourne	X	X	X	X
	Hove	X	X	X	X
	Rother			X	X
Essex	Brentwood	X	X	X	X
	Castle Point	X	X	X	X
	Colchester	X	X	X	X
	Epping Forest	X	X		X
	Maldon			X	X
	Rochford	X	X	X	X
	Southend on Sea				X

County	Authority	1981-82	1982-83	1983-84	1984-85 (estimate)
	Tendring	X	X		
	Thurrock		X		
Gloucestershire	Cheltenham	X	X	X	X
	Gloucester	X	X		X
	Tewkesbury		X	X	X
Hampshire	Basingstoke & Deane	X			
	Gosport	X			
	Havant	X		X	X
Hereford & Worcester	Hereford	X	X	X	
	Leominster			X	
	Worcester				X
Hertfordshire	Broxbourne		X	X	X
	Dacorum	X	X	X	X
	East Hertfordshire	X			
	North Hertfordshire	X			
	Three Rivers	X	X	X	X
Humberside	Glanford	X	X		
Isle of Wight	South Wight		X	X	X
Kent	Ashford		X		
	Canterbury	X			
	Dartford		X		
	Shepway		X	X	X
	Tonbridge & Malling	X	X	X	X
	Tunbridge Wells		X		
Lancashire	Blackpool	X			
	Hyndburn				X
	Lancaster		X	X	X
	Rossendale			X	
	West Lancashire		X	X	X
Leicestershire	Harborough	X	X	X	X
	Hinkley & Bosworth		X	X	X
	Melton			X	X
	Oadby & Wigston				X
Lincolnshire	Boston	X			
	Lincoln	X			
	South Holland				X
	South Kesteven				X
Norfolk	Breckland	X			X
	North Norfolk	X			
	South Norfolk			X	X
Northamptonshire	South Northamptonshire	X	X	X	X
Northumberland	Castle Morpeth			X	
North Yorkshire	Hambleton			X	X
	Scarborough			X	X
Nottinghamshire	Mansfield		X	X	
	Rushcliffe		X		
Oxfordshire	Cherwell		X	X	X
	South Oxfordshire	X	X	X	X
	Vale of White Horse	X	X	X	X
Salop	North Shropshire	X	X	X	X
	Shrewsbury & Atcham	X			
Somerset	Sedgemoor	X			
	West Somerset				X
Staffordshire	East Staffordshire	X	X		
	Lichfield	X			
	Newcastle under Lyme	X	X		
	Staffs Moorlands	X	X	X	X

County	Authority	1981-82	1982-83	1983-84	1984-85 (estimate)
Suffolk	Forest Heath	X			
	Ipswich	X			
Surrey	Elmbridge		X	X	X
	Epsom & Ewell	X	X	X	X
	Guildford	X		X	
	Reigate & Banstead			X	X
	Runnymede	X	X	X	X
	Spelthorne	X	X	X	X
	Surrey Heath	X	X	X	X
	Tandridge		X	X	X
	Waverley	X	X	X	X
	Woking		X	X	X
Warwickshire	Stratford on Avon	X	X	X	X
West Sussex	Arun				X
	Chichester		X	X	X
	Horsham	X	X	X	
	Mid Sussex	X		X	X
	Worthing		X	X	X
Wiltshire	West Wiltshire	X	X	X	X

Sporting Bodies (Grants)

Mr. Greenway asked the Secretary of State for the Environment what grants have been paid to individual sporting bodies in each of the past 10 years; what grants are projected for the same bodies in 1986; and if he will make a statement.

Mr. Macfarlane: I have placed in the Library details of grants paid to individual governing bodies of sport by the Sports Council over the past 10 years. The council's budget for grants to governing bodies for 1985-86 and 1986-87 is £6·295 million and £7·587 million respectively. The breakdown between individual sports in those years has yet to be determined.

	1975-76 £	1976-77 £	1977-78 £	1978-79 £	1979-80 £	1980-81 £	1981-82 £	1982-83 £	1983-84 £	1984-85 £
CURRENT GRANTS TO ALL SPORTS										
Angling										
British Casting Association	—	—	250	342	228	414	1,274	1,127	511	1,044
National Anglers' Council	12,642	13,654	19,026	20,471	29,487	27,505	29,906	36,195	35,671	34,995
National Federation of Anglers	575	786	5,787	12,143	14,424	5,251	31,443	14,985	19,863	19,348
National Federation of Sea Anglers	5,300	7,764	8,545	10,212	11,769	18,509	14,676	16,225	18,120	17,703
Salmon & Trout Association	—	—	5,000	7,875	8,875	750	11,250	13,902	13,608	12,920
	18,517	22,204	38,608	51,043	64,783	52,429	88,549	82,434	87,773	86,010
Archery										
Association for Archery in Schools	134	149	110	176	143	403	419	396	167	260
Grand National Archery Society	11,691	19,217	31,621	23,370	17,057	42,822	48,536	55,859	51,145	62,298
	11,825	19,366	31,731	23,546	17,200	43,255	48,955	56,255	51,312	62,558
Association Football										
English Schools' Football Association	696	767	2,380	7,326	3,294	3,612	3,829	2,716	4,418	1,418
Football Association	7,375	11,625	14,618	14,390	17,166	19,625	9,500	—	—	—
Women's Football Association	3,542	4,742	4,825	5,369	8,734	12,625	14,746	19,575	19,905	24,850
	11,613	17,134	21,823	27,085	29,194	35,862	28,075	22,291	24,323	26,268
Athletics										
Amateur Athletic Association	(103)	5,310	298	—	—	—	9,760	4,984	440	5,000
British Amateur Athletic Board	135,660	156,978	210,330	160,644	215,130	243,513	211,819	222,334	229,242	234,714
English Cross-Country Union	—	506	150	1,379	1,710	2,860	2,993	20,000	5,273	2,132
English Schools' Athletic Association	697	4,433	3,885	4,089	9,517	9,899	12,568	9,203	2,353	10,873
Women's Amateur Athletic Association	2,864	5,544	6,871	6,603	6,674	7,393	14,552	15,529	17,050	20,451
Women's Cross-Country Association	—	1,358	—	1,739	—	1,968	2,760	1,592	—	2,610
British Schools International Athletic Board	50	—	—	—	—	—	—	—	—	—
	139,168	174,129	221,534	174,454	233,031	265,633	254,452	273,642	254,358	275,780
Badminton										
Badminton Association of England	48,927	39,134	71,528	74,788	88,089	102,797	111,418	131,562	142,456	180,000
English Schools' Badminton Association	1,099	2,456	8,089	4,527	6,439	10,574	6,899	9,185	6,780	10,008
	50,026	41,590	79,617	79,315	94,528	113,371	118,317	140,747	149,236	190,008

	1975-76 £	1976-77 £	1977-78 £	1978-79 £	1979-80 £	1980-81 £	1981-82 £	1982-83 £	1983-84 £	1984-85 £
Ballooning										
British Balloon & Airship Club	—	—	—	3,489	—	8,493	—	1,568	8,000	4,487
Baseball & Softball										
British Amateur Baseball & Softball Federation	—	—	(23)	—	—	—	400	—	364	448
Basketball										
British & Irish Basketball Federation	12,668	4,086	268	1,706	27,702	15,362	—	(1,440)	—	37,888
English Basketball Association	39,610	47,026	58,396	92,330	74,090	112,213	114,351	124,590	143,685	161,237
English Mini-Basketball Association	250	226	378	715	827	1,312	899	1,524	1,859	1,653
English Schools' Basketball Association	2,504	5,954	7,730	8,272	7,470	10,606	10,171	11,679	13,071	12,556
	55,032	57,292	66,772	103,023	110,089	139,493	125,421	136,353	158,615	213,334
Billiards and Snooker										
Billiards and Snooker Control Council	7,750	9,541	12,354	12,462	15,270	20,810	15,538	26,634	20,943	18,332
Bobsleigh										
British Bobsleigh Association	3,275	8,156	4,000	12,291	10,500	10,000	10,000	20,917	20,000	10,000
Bowls										
British Crown Green Bowling Association	324	506	837	729	688	1,035	755	1,257	1,249	1,229
English Bowling Association	6,897	5,595	9,092	9,872	15,681	20,518	15,304	26,703	26,537	25,070
English Bowling Federation	381	619	1,612	3,126	4,267	4,854	4,271	5,502	5,623	5,816
English Bowls Council	—	—	—	525	62	11,500	6,000	5,295	19,463	25,000
English Indoor Bowling Association	4,707	5,451	8,550	8,143	10,099	13,799	12,258	15,290	15,845	16,399
English Women's Bowling Association	1,078	1,189	2,556	879	2,553	3,932	5,088	4,936	6,569	10,732
English Women's Bowling Federation	215	421	562	592	627	534	430	577	1,210	998
English Women's Indoor Bowling Association	544	680	609	542	994	1,180	1,119	1,620	1,620	2,025
	14,146	14,461	23,818	24,408	34,971	57,352	45,225	61,180	78,116	87,269
Boxing										
Amateur Boxing Association of England	28,077	43,241	44,878	59,463	56,711	81,075	42,534	72,382	82,240	75,521
British Amateur Boxing Association	—	—	—	—	—	—	—	—	—	6,500
Schools' Amateur Boxing Association	1,126	1,272	2,272	1,140	1,140	2,654	1,470	4,864	3,412	4,580
	29,203	44,513	47,150	60,603	57,851	83,729	44,004	77,246	85,652	86,601
Canoeing										
British Canoe Union	75,026	87,455	107,395	139,764	127,789	197,949	295,421	180,808	195,148	294,614
British Schools' Canoeing Association	500	465	340	302	398	142	—	—	—	—
	75,526	87,920	107,735	140,066	128,187	198,091	295,421	180,808	195,148	294,614
Caving										
National Caving Association	2,700	4,513	5,703	5,800	6,736	9,816	9,342	10,871	6,120	16,311
Cricket										
Cricket Council	15,660	27,409	24,450	36,260	48,756	76,877	85,691	86,510	96,913	90,166
English Schools' Cricket Association	1,509	1,962	8,146	7,115	7,995	9,795	10,547	15,995	11,214	13,470
Women's Cricket Association	9,826	9,358	19,511	11,107	11,454	16,378	20,942	10,090	18,566	27,454
	26,995	38,729	52,563	54,482	68,205	103,050	117,180	112,595	126,693	131,090
Croquet										
Croquet Association	4,425	5,753	3,832	8,728	4,663	6,127	7,822	14,081	7,733	14,971
Curling										
English Curling Association	—	1,187	1,343	—	1,365	1,839	3,312	846	4,862	3,118
Cycling										
British Cycling Federation	29,020	23,823	52,939	71,169	73,144	63,156	178,518	221,908	106,696	109,912
British Cyclo-Cross Association	1,374	5,314	4,139	1,326	6,500	5,784	7,678	1,850	8,228	10,676
Cycle Speedway Council	220	682	1,170	1,228	1,476	8,068	705	1,822	2,589	17,103
Cyclists' Touring Club	3,400	3,400	3,400	3,400	3,400	2,550	2,225	9,524	5,481	11,064
English Schools Cycling Association	416	485	730	749	1,170	1,275	1,161	1,676	2,023	2,303
Road Time Trails Council	3,416	4,488	7,715	10,419	14,359	17,283	17,612	17,720	20,782	20,127
	37,846	58,192	70,093	88,291	100,049	98,116	207,899	254,500	145,799	171,185
Fencing										
Amateur Fencing Association	52,029	63,677	60,677	82,931	118,200	68,390	114,577	121,758	128,597	123,885
Fives										
Rugby Fives Association	—	1,000	—	—	—	—	—	—	—	—
Flying										
Royal Aero Club	—	—	—	—	—	—	—	—	759	—
Gliding										
British Gliding Association	29,258	24,947	35,986	27,125	41,899	52,369	54,903	60,799	72,167	65,116

	1975-76 £	1976-77 £	1977-78 £	1978-79 £	1979-80 £	1980-81 £	1981-82 £	1982-83 £	1983-84 £	1984-85 £
Golf										
English Golf Union	1,607	(865)	1,067	2,025	2,684	5,647	5,823	5,388	12,061	6,323
English Ladies' Golf Association	75	1,051	6,013	3,990	4,166	5,704	7,037	5,894	6,251	10,407
English Schools' Golf Association	—	—	75	93	244	450	1,467	413	1,103	—
Golf Development Council	7,299	8,261	8,643	9,623	10,299	8,757	8,167	10,064	4,982	—
Golf Foundation	—	—	—	—	—	—	—	10,000	—	—
Ladies' Golf Union	—	604	20,761	24,011	31,827	30,381	36,447	41,509	37,744	37,572
Royal & Ancient GC of St. Andrews	452	5,184	243	3,855	—	1,848	5,696	2,308	1,920	3,084
	9,433	14,435	36,802	43,597	49,220	52,787	64,637	75,666	64,061	57,386
Gymnastics										
British Amateur Gymnastics Association	64,530	78,846	51,120	102,103	124,290	104,219	47,701	101,719	104,877	141,142
British Schools' Gymnastics Association	—	—	—	—	—	—	—	12,200	12,200	9,437
English Schools' Gymnastic Association	4,184	3,364	9,990	5,700	11,169	10,848	6,987	(1,058)	85	626
	68,714	82,210	61,110	107,803	135,459	115,067	54,688	112,861	117,162	151,205
Handball										
British Handball Association	6,427	8,564	12,810	18,719	31,351	29,592	30,877	42,820	55,004	59,777
Hang Gliding										
British Hang Gliding Association	—	3,000	5,794	26,876	29,208	46,944	49,611	43,923	47,066	67,573
Hockey Field										
All England Women's Hockey Association	18,277	16,254	23,503	23,065	30,802	44,498	22,064	46,222	22,354	57,349
English Schoolboys' Hockey Association	1,594	2,292	2,291	2,468	4,500	4,366	3,745	4,316	4,279	4,858
GB Men's Hockey Board	4,470	315	(435)	21,366	12,380	(14,129)	—	—	12,914	25,000
GB Women's Hockey Olympic Committee	—	1,772	2,763	3,425	5,580	1,797	6,575	—	7,433	1,297
Hockey Association	38,654	54,139	84,809	54,042	79,506	82,194	108,674	105,718	121,660	116,654
Home Counties Women's Hockey Board	—	—	—	—	—	—	—	—	—	150
	62,995	74,772	114,597	104,366	132,768	118,726	141,058	156,256	168,640	205,308
Hockey Ice										
British Ice Hockey Association	5,585	5,835	850	—	8,567	11,859	6,448	3,775	13,911	17,914
Hockey Roller										
National Roller Hockey Association of Great Britain	1,178	1,700	6,807	4,500	11,691	8,401	12,034	15,366	12,062	19,849
*Judo**										
British Judo Association	27,827	69,069	92,302	136,518	153,749	200,231	170,546	200,052	280,092	236,422
British Schools' Judo Association	200	1,571	550	2,226	2,355	4,061	3,247	5,689	8,849	1,193
	28,027	70,640	92,852	138,744	156,104	204,292	173,793	205,741	288,941	237,615
Lacrosse										
All England Women's Lacrosse Association	12,553	9,584	13,361	32,766	22,899	12,924	15,239	30,280	18,626	23,227
English Lacrosse Union	2,030	4,478	13,448	7,788	5,567	7,248	17,648	10,117	8,865	17,741
GB Lacrosse Council	—	—	—	—	—	—	—	—	—	9,000
	14,583	14,062	26,809	40,554	28,446	20,172	32,887	40,397	27,491	49,968
Land Yachting										
British Federation of Sand and Land Yacht Clubs	750	250	—	—	2,917	5,649	3,505	9,213	8,979	5,162
Lawn Tennis										
Boys' School Lawn Tennis Association	387	299	455	457	485	286	—	—	—	—
British Schools' Lawn Tennis Association	—	—	—	—	—	673	1,422	2,375	3,251	3,249
Girls' School Lawn Tennis Association	462	451	481	567	844	297	—	—	—	—
Lawn Tennis Association	22,592	23,734	43,883	39,104	41,871	72,574	69,314	73,421	76,028	76,025
	23,441	24,484	44,819	40,128	43,200	73,830	70,736	75,796	79,279	79,274
Martial Arts										
Martial Arts Commission	25,964	27,453	48,251	31,512	51,129	67,906	92,553	62,924	126,095	95,719
Modern Pentathlon										
Modern Pentathlon Association of Great Britain	11,898	9,222	23,472	14,994	25,779	24,557	34,366	32,670	28,717	38,272
*Motor-Cycling**										
Auto-Cycle Union	4,000	2,172	9,406	2,382	1,250	—	8,330	25,815	9,760	40,004
Mountaineering										
British Mountaineering Council	31,385	34,517	2,124	—	43,445	28,883	49,928	49,856	47,414	61,938
Mountain Leadership Training Board	—	—	13,596	—	11,916	—	—	—	—	—
Mountain Rescue Committee	—	—	1,500	—	—	3,000	—	9,359	865	3,641
Mountainwalking Leader Training Board	—	—	—	—	2,500	24,417	27,389	17,799	16,174	20,114

	1975-76 £	1976-77 £	1977-78 £	1978-79 £	1979-80 £	1980-81 £	1981-82 £	1982-83 £	1983-84 £	1984-85 £
	31,385	34,517	41,220	—	57,861	56,300	77,317	77,014	64,453	83,693
Movement and Dance										
British Amateur Dancers' Association	9,593	5,992	8,921	12,857	9,490	21,203	16,766	14,635	20,087	20,393
English Folk Dance and Song Society	28,320	34,498	39,535	45,727	35,047	52,683	52,273	56,034	50,694	61,857
Keep Fit Association	9,142	12,761	16,618	13,871	18,160	21,989	25,706	21,554	25,585	24,444
Margaret Morris Movement	750	734	1,673	2,276	2,544	7,841	7,250	9,067	10,916	13,989
Medau Society of Great Britain and Northern Ireland	5,131	5,115	6,381	6,290	7,230	9,091	6,999	8,718	8,877	8,605
Women's League of Health and Beauty	8,433	10,282	11,059	13,733	14,918	17,840	23,456	22,721	23,239	28,923
	61,289	69,382	84,187	94,754	87,389	130,647	132,450	132,529	139,398	258,121
Netball										
All England Netball Association	21,866	23,315	25,174	32,306	24,752	37,724	52,273	51,445	44,394	55,104
English Schools' Netball Association	450	592	1,323	1,262	1,327	2,676	1,340	1,393	2,109	2,603
	22,316	23,907	26,497	33,568	26,079	40,400	53,613	52,838	46,503	57,707
Orienteering										
British Orienteering Federation	38,612	29,471	39,796	52,628	55,314	60,396	97,933	76,528	46,503	57,707
Parachuting										
British Parachute Association	19,672	27,420	41,327	29,541	46,692	56,050	58,140	60,273	65,465	62,637
Parascending										
British Association of Parascending Clubs	—	—	—	—	—	650	1,594	—	3,770	14,332
Petanque										
British Petanque Association	—	—	—	—	5,500	488	580	1,976	820	1,396
Riding										
British Equestrian Federation	—	—	—	61,477	39,421	202,309	58,584	78,205	49,174	115,700
British Horse Society	34,765	26,230	110,147	29,704	28,660	69,308	61,048	58,642	59,880	62,378
Riding for the Disabled Association	6,050	13,767	13,718	15,499	25,451	15,704	14,706	9,129	7,228	5,439
	40,815	39,997	123,865	106,680	93,532	287,321	134,338	145,976	116,282	183,517
Rowing										
Amateur Rowing Association	109,392	92,076	163,195	173,059	165,335	227,147	166,562	225,562	229,449	288,540
Rugby League										
British Amateur Rugby League Association	3,900	19,054	44,326	29,997	40,431	47,303	76,811	80,522	63,122	61,623
English Schools' Rugby League	1,546	1,276	6,492	3,545	6,743	4,047	8,861	5,077	10,578	6,017
	5,446	20,330	50,818	33,542	47,174	51,250	85,672	85,599	73,700	67,640
Rugby Union										
Rugby Football Schools' Union	—	3,361	5,894	1,765	20,500	7,961	5,161	12,500	6,691	6,691
Rugby Football Union	3,344	3,740	10,655	8,750	8,000	21,615	19,766	24,703	32,229	23,762
		7,101	16,549	10,515	28,500	29,576	24,927	37,203	38,920	30,453
Sailing										
National School Sailing Association	998	1,402	1,770	2,636	2,026	1,645	2,021	2,128	2,232	2,576
Royal Yachting Association	72,205	67,601	108,349	150,353	154,588	123,008	98,460	125,303	243,960	145,961
	73,203	69,003	110,119	152,989	156,614	124,653	100,481	127,431	246,192	148,537
Shooting										
Clay Pigeon Shooting Association	8,801	36,859	46,956	22,255	40,598	63,051	64,392	48,710	58,090	47,762
English Shooting Council	—	—	—	—	—	5,089	2,033	3,050	9,310	1,166
English Small-bore Shooting Union	—	—	—	—	437	—	—	—	—	—
English XX Club	—	—	—	—	202	—	—	—	—	—
Joint Shooting Committee for GB	19,567	4,837	6,112	30,000	1,046	4,244	(6,753)	26,711	—	—
National Air Rifle and Pistol Association	325	—	2,820	5,829	5,640	5,640	10,134	7,423	4,459	—
National Rifle Association	2,471	4,915	14,694	28,805	21,639	15,619	9,992	18,369	12,504	47,741
National Small-bore Rifle Association	5,803	11,228	39,027	21,595	19,278	62,383	46,392	52,868	67,897	82,028
	36,967	57,839	109,659	108,484	88,840	156,026	126,190	157,131	152,260	178,697
Skate Boarding										
English Skateboard Association	—	—	—	5,750	8,000	6,697	3,666	5,382	2,127	5,627
Skating										
National Skating Association of GB	39,215	60,107	83,765	81,321	100,673	137,103	133,656	108,543	270,038	167,371
Skiing										
British Ski Federation	61,366	70,072	114,156	121,777	121,386	115,450	114,387	112,570	127,943	129,176
English Ski Council	—	—	—	—	27,566	43,225	35,416	71,931	57,118	57,793
	61,366	70,072	114,156	121,777	148,952	158,675	149,803	184,501	185,061	186,969

	1975-76 £	1976-77 £	1977-78 £	1978-79 £	1979-80 £	1980-81 £	1981-82 £	1982-83 £	1983-84 £	1984-85 £
Squash Rackets										
Squash Rackets Association	63,106	63,545	72,255	85,990	83,976	129,135	87,146	118,490	123,612	121,942
Women's Squash Rackets Association	8,985	15,061	16,280	29,160	26,749	42,115	44,325	46,809	53,704	50,954
	72,091	78,606	88,535	115,150	110,725	171,250	131,471	165,299	177,316	172,896
Sub-Aqua										
British Sub-Aqua Club	63,445	73,677	82,252	90,017	91,370	137,617	139,368	109,262	87,423	107,681
Surfing										
British Surfing Association	3,735	4,567	7,748	7,263	7,830	9,350	20,093	10,540	24,829	19,122
English Surfing Federation	—	—	—	—	—	2,500	—	—	—	—
	3,735	4,567	7,748	7,263	7,830	11,850	20,093	10,540	24,829	19,122
Swimming										
Amateur Swimming Association	69,090	75,967	116,480	113,421	138,333	112,061	142,351	171,487	68,445	108,205
Amateur Swimming Federation of GB	—	—	—	14,116	10,000	29,422	6,595	52,971	22,192	69,890
English Schools' Swimming Association	1,008	976	3,780	2,391	6,537	1,171	4,554	6,617	3,633	7,016
National Association of Swimming Clubs for the Handicapped	—	700	—	730	—	1,088	—	—	—	—
	70,098	75,643	120,260	130,678	154,890	143,742	153,500	231,075	94,270	177,111
Table Tennis										
English Schools' Table Tennis Association	1,497	1,659	2,080	2,334	2,687	1,889	2,885	3,087	3,158	3,914
English Table Tennis Association	51,270	130,071	89,761	63,556	84,832	112,822	120,795	136,906	135,203	142,759
	52,767	131,730	91,841	65,890	87,519	114,711	123,680	139,993	138,361	146,673
Tennis & Rackets										
Tennis & Rackets Association	500	1,000	—	1,231	1,000	1,000	415	—	1,000	1,500
Tenpin Bowling										
British Tenpin Bowling Association	30,116	18,033	20,362	23,650	29,520	25,046	29,790	38,339	40,284	35,802
Tobogganing										
British Racing Tobogganing Association	—	3,400	6,500	3,690	14,028	—	11,701	12,520	11,556	11,954
Trampolining										
British Trampoline Federation	4,558	3,160	3,812	5,898	3,250	6,095	15,666	10,979	6,726	18,003
Tug-of-War										
Tug-of-War Association	4,160	5,523	2,583	3,198	7,419	3,064	—	6,668	7,747	8,717
Volleyball										
British Volleyball Federation	—	—	—	—	—	—	—	1,000	—	—
English Schools' Volleyball Association	581	1,421	6,770	8,981	7,114	9,711	8,774	9,264	10,431	21,338
English Volleyball Association	18,084	25,301	58,762	43,495	56,279	73,516	92,421	87,523	60,438	87,687
	18,665	26,722	65,532	52,474	63,393	83,227	101,195	97,787	70,869	109,025
Water Skiing										
British Water Ski Federation	66,588	58,630	79,020	98,828	112,447	128,052	160,130	177,726	122,726	241,822
Weight Lifting										
British Amateur Weight Lifters' Association	31,034	33,652	45,097	38,372	52,592	59,592	75,400	69,368	77,962	131,553
Wildfowling										
British Association for Shooting & Conservation	9,471	12,195	13,928	15,803	16,578	19,746	22,028	20,659	23,441	24,083
Wrestling										
Schoolboys Olympic Wrestling Association	—	—	700	—	—	—	—	—	—	—
British Amateur Wrestling Association	6,343	3,352	13,110	11,609	17,586	27,743	14,320	49,905	27,299	37,000
English Olympic Wrestling Association	5,473	12,300	7,741	9,404	15,678	22,088	18,388	25,875	24,980	28,505
	11,816	15,652	23,189	21,013	33,264	49,833	32,708	75,780	52,279	65,505
Life Saving										
Royal Life Saving Society	5,905	12,954	26,707	13,582	21,205	27,818	25,888	27,723	32,818	37,150
Surf Life Saving Association of GB	4,720	6,241	6,957	6,107	6,684	10,695	11,261	14,800	13,984	14,283
	10,625	19,195	33,664	19,689	27,889	38,513	37,149	42,523	46,802	51,433
Rambling										
Ramblers' Association	5,265	6,577	7,912	9,929	13,709	14,525	19,616	22,741	25,016	26,739
*Judo**										
Scottish Judo Federation	—	—	—	3,811	5,000	1,800	(600)	—	—	—
Motor-Cycling†										
Scottish Auto-Cycle Union	—	2,500	—	3,086	2,500	3,000	—	—	—	—

	1975-76 £	1976-77 £	1977-78 £	1978-79 £	1979-80 £	1980-81 £	1981-82 £	1982-83 £	1983-84 £	1984-85 £
Totals	1,830,290	2,204,787	3,062,523	3,319,330	3,795,128	4,683,217	4,784,771	5,265,493	5,402,149	6,079,942
CURRENT GRANTS TO RELATED ORGANISATIONS										
British Association for Sport in Colleges	—	—	—	—	—	—	—	—	—	2,000
British Association of National Coaches	600	449	1,774	1,381	2,500	2,250	4,000	11,066	9,792	11,143
British Association of Sport and Medicine	—	—	—	840	—	—	—	115	—	588
British Association of Sports Sciences	—	—	—	—	—	—	—	—	—	135
British Colleges Sports Association	1,290	1,419	1,563	1,696	1,728	1,949	1,517	2,277	2,293	2,866
British Olympic Association	1,129	11,804	60,756	602	—	3,460	—	60,374	—	(60,000)
British Polytechnics Sports Association	—	—	2,500	1,875	2,500	2,819	2,281	3,208	3,317	4,146
British Society of Sports Psychology	4,821	—	—	(80)	—	(36)	—	699	—	—
British Sports Association for the Disabled	27,682	35,423	29,607	28,286	44,640	74,539	79,517	84,555	74,358	88,975
British Students Sports Federation	1,726	—	12,260	—	28,906	—	13,935	32,500	—	35,000
Central Council of Physical Recreation	58,826	78,478	75,717	86,601	92,476	153,228	150,213	223,032	187,688	300,000
Commonwealth Games Council for England	(10,896)	—	19,638	57,307	—	(16,570)	43,074)	56,538	(18,313)	—
Commonwealth Games Federation	—	—	—	—	—	—	—	—	—	670
Council of Europe (Development of Sport)	—	18,887	(826)	104	—	—	—	—	—	—
General Association of International Sports Federations	—	—	—	—	—	—	—	357	—	—
International Association of PE and Sport for Girls and Women	—	—	—	—	—	—	—	500	—	9,217
International Association for Sport Information	—	—	438	—	—	—	—	—	—	—
International Council for Sport Science & PE	—	3,183	—	—	—	156	—	2,287	—	—
International Federation of Adapted Physical Activity	—	—	—	—	—	—	—	1,260	—	2,000
International Orienteering Federation	—	—	—	—	—	—	—	—	—	281
National Council for Schools Sports	20,070	698	780	6,851	10,216	992	768	5,196	1,408	7,365
National Playing Fields Association	18,500	21,375	24,323	25,597	25,407	30,902	32,055	34,274	36,271	35,765
On Line Information Co. Ltd.	—	—	—	—	—	—	—	—	—	3,500
Physical Education Association of GB & NI	1,950	2,100	2,420	2,280	2,280	1,140	2,660	2,280	570	8,763
Sport & the Law Conferences	—	—	—	248	—	—	—	—	—	—
Sports Aid Foundation	1,117	25,512	425,000	—	—	—	1,931	6,588	9,680	16,413
Sports Documentation Centre	20,070	26,773	—	10,000	10,000	10,000	—	—	—	—
Sports Turf Research Institute	11,983	13,625	29,750	34,000	43,000	46,500	54,375	58,181	62,252	68,165
UK Sports Association for People with Mental Handicap	—	—	—	—	—	89	117	—	—	—
Universities' Athletic Union	3,450	3,549	3,906	4,000	4,000	4,397	3,551	5,052	5,083	6,366
Women's Inter-University Athletic Board	2,414	2,365	2,941	3,323	664	—	—	—	—	—
Individuals to Conferences	997	289	1,979	2,528	2,779	1,235	6,566	5,292	16,123	21,170
Totals	157,645	258,597	717,222	267,859	289,276	317,050	395,461	595,631	390,522	564,828
Grand Totals	1,987,938	2,463,384	3,779,745	3,587,189	4,084,404	5,000,267	5,180,232	5,861,124	5,792,671	6,644,770

Association of County Councils

Mr. Arnold asked the Secretary of State for the Environment if he has been notified by the Association of County Councils of any change in the composition of the association; and if he will make a statement.

Mr. Waldegrave: I have no such notification, but this is a matter which falls entirely within the responsibility of the association.

Inner City Areas

Sir Geoffrey Finsberg asked the Secretary of State for the Environment if he will list in the *Official Report* the amounts of financial assistance, given in all forms, to inner city areas for 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1983 and 1984, respectively.

Mr. Kenneth Baker: I shall write to my hon. Friend.

Water Authorities

Mr. Freud asked the Secretary of State for the Environment what is the actual capital expenditure in 1984-85 of each of the water authorities before allowing for grants and contributions; and if he will list these figures for the previous five years and give his best estimates for the years 1985-86, 1986-87 and 1987-88 before allowing for grants and contributions at either 1985-86 prices or estimated outturn prices for each of the authorities.

Mr. Macfarlane: The information requested is as follows:

Capital Expenditure by Water Authorities in England and Wales (Excluding Land Drainage)*

£million (out-turn prices)

	1979-80	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85†*	*1985-86‡*	*1986-87‖*	*1987-88‖*
North West	83·5	85·8	89·5	106·3	132·1	145·0	158·2	170	184
Northumbrian	61·3	59·1	38·4	37·6	32·0	28·3	36·5	39	37
Severn Trent	80·9	101·0	97·2	110·5	114·8	107·1	119·2	122	130
Yorkshire	58·1	77·5	73·7	72·6	77·4	87·4	97·0	107	114
Anglian	64·6	80·3	94·0	91·2	113·5	99·0	95·3	107	109
Thames	70·6	79·0	80·1	95·7	113·3	102·9	109·0	119	126
Southern	46·1	47·1	51·0	49·9	58·3	56·6	61·4	64	67
Wessex	24·7	24·8	29·2	31·7	40·0	36·8	48·2	58	60
South West	18·5	21·7	21·2	25·4	29·6	38·5	38·0	38	41
Welsh	30·9	31·7	37·1	46·1	44·8	36·4	50·0	58	63

Notes

* The source for these figures is monitoring returns to the Department. The figures differ slightly from those published in the water authorities annual accounts.

† Provisional figures.

‡ Forecast.

‖ Indicative figures issued to authorities for planning purposes.

Broad Street Station

Mr. Faulds asked the Secretary of State for the Environment whether at any time Broad Street station has been recommended for listing by an investigator; and what professional advice was received by the Department on each occasion that the building was previously considered for listing in 1971, 1975 and 1981.

Mr. Macfarlane: I shall answer this question shortly.

Solar Energy

Mr. Speller asked the Secretary of State for the Environment if he will take into consideration developments in the design of passive solar energy when revisions are next made to building regulations.

Sir George Young: Allowance for passive solar gain is permitted for commercial and industrial buildings in the present regulations. After the new system of building control has been brought into operation later this year, the requirements for the conservation of fuel and power will be reviewed. This review will include consideration of developments in the design of passive solar energy.

Radionuclides (Sellafield)

Mr. D. E. Thomas asked the Secretary of State for the Environment if he will update to calendar years 1983 and 1984 the information on discharges of radionuclides to sea from the Sellafield site given in National Radiological Protection Board Paper R171; and what proportion of the plutonium contained in the discharges made to sea from the Sellafield site up to 31 December 1984 is estimated to have originated in the magnox reactors of the Central Electricity Generating Board and South of Scotland Electricity Board.

Mr. Waldegrave [*pursuant to his reply*, 3 July 1985: The information requested for 1983 is given in the table. The equivalent figures for 1984 are not yet available.

Figures for the proportion of liquid discharges from the Sellafield site from various sources were given in paragraphs 3.9 and 3.10 of the Black report, a copy of which is in the Library of the House. About 70 per cent. of the total alpha discharge is attributable to storage and reprocessing of magnox fuel from the Central Electricity Generating Board and South of Scotland Electricity Board nuclear power stations.

Bq discharged in 1983				
Sr 90	Zr/Nb 95	Ru 106	Cs 134	Cs 137
2.04 E14	5.96 E14	5.53 E14	8·9 E13	1.2 E15
Ce 144	Pu 238	Pu 239	Pu 241	Am 241
2·4 E13	2·9 E12	8·2 E12	3·3 E14	2.2 E12

TRANSPORT

Airport Security

61. **Mr. Greg Knight:** asked the Secretary of State for Transport if he is satisfied with the security arrangements at British airports; and if he will make a statement.

Mr. Michael Spicer: British airports have achieved a good standard of security. All UK airport authorities have been asked to reinforce their efforts to ensure that security measures are fully complied with. My right hon. friend the Secretary of State for Transport last week held an urgent meeting with some of the major airport and airline interests represented on the National Aviation Security Committee to review security measures in the United Kingdom. I pressed the importance of the need for international co-operation on this matter at a meeting of the International Civil Aviation Organisation in Montreal last Thursday.

Motorists (Drink Problems)

62. **Mr. Alexander** asked the Secretary of State for Transport what steps he will take to aid the better identification of motorists with a drink problem.

Mrs. Chalker: A scheme for the identification of drivers with a possible drink problem has been in operation since May 1983. It applies to anyone disqualified twice within 10 years for driving with more than two and a half times the legal limit of alcohol in the body or, alternatively, once for driving at more than two and a half times the legal limit and once for failure to provide a specimen. Such offenders are investigated by the Secretary of State's medical adviser at the end of their second disqualification period and, if there is evidence of a drink problem, a driving licence is withheld until the person has demonstrated that his condition is under effective control.

I shall consider the scope for extending this scheme by, for example, lowering the threshold for investigation in the light of experience of these arrangements.

Blind People (Travel Facilities)

Mr. Bowen Wells asked the Secretary of State for Transport if he will consider introducing arrangements for the county societies for the blind and local clubs to be involved during the planning stages of alterations to roads and railways.

Mrs. Chalker: British Rail already has a well developed system for consultation at both national and local level where alterations to the railway affect disabled people. Other railways, such as the Tyne and Wear Metro, have similar systems.

My Department consults groups and organisations of all kinds where they are directly affected by national road proposals. Notification of road proposals is, however, normally made through national organisations. I shall be happy to include one or more national organisations representing blind people in the standard distribution list if they so wish.

Cycling

Mr. Skinner asked the Secretary of State for Transport what was the amount of money spent by his Department to promote cycling safety campaigns in 1983-84 and 1984-85.

Mrs. Chalker: Expenditure by the Department of Transport to promote pedal cycle safety in the years 1983-84 and 1984-85 was £845,600 and £1,058,000 respectively.

Vehicle Testing

Mr. Pawsey asked the Secretary of State for Transport whether there is any statistical evidence that the Ministry of Transport test has not been sufficiently stringent to avoid road accidents caused by defective vehicles.

Mrs. Chalker: There is no recent evidence. A study by the Transport and Road Research Laboratory in the early 1970s showed that mechanical defects were a main contributory factor in about 8 per cent. of accidents. Since then the stringency of the test has been increased in a number of respects, for instance by requiring brakes to be examined on a roller brake tester rather than by a road test.

Railways (Safety)

Mr. Heddle asked the Secretary of State for Transport if, when he next meets the chairman of British Rail, he will raise with him the safety standards of the new class 455 electrical unit, with particular reference to the operation of the pneumatic sliding doors and fire prevention requirements; and if he will make a statement.

Mr. David Mitchell: The safety standards of rolling stock on Brtish Railways is a matter for the British Railways Board. The Department's Chief Inspecting Officer of Railways has already raised with the board the disquiet felt by some passengers about the emergency evacuation arrangements in recent designs of electric multiple-unit trains, including the class 455. The board has to take into account the need for proper means of escape in an emergency and the need to protect passengers against the dangers of alighting on to lines which may be open to traffic and fitted with high-voltage conductor rails. Some improvements have already been made and the board is currently examining the whole question of emergency evacuation of sliding-door rolling stock.

Humberside Airport

Mr. Michael Brown asked the Secretary of State for Transport how many passengers departing for destinations abroad used Humberside airport during the last 12 months for which figures are available.

Mr. Michael Spicer: Humberside airport was used by 63,460 passengers on commercial international flights in 1984. Approximately half of these would be departing passengers.

Motorways (Construction Costs)

Mr. Chapman asked the Secretary of State for Transport what is the current average cost per mile of new motorway construction; and how this figure compares with five, 10, 15 and 20 years ago in historic and constant prices, respectively.

Mr. Ridley: The information requested is as follows:

Year	*Rural dual 3-lane £ million*	*Rural dual 2-lane £ million*	*Urban dual 3-lane £ million*	*Urban dual 2-lane £ million*
1964-65				
Cash	0·6	0·5	2	2
Constant*	—	—	—	—
1969-70				
Cash	1	1	2	3
Constant	—	—	—	—
1974-75				
Cash	2	1	5	4
Constant	5	3	13	10
1979-80				
Cash	3	2	7	5
Constant	4	3	9	6
1984-85†				
Cash	5	3	12	6
Constant	5	3	12	9

Constant prices at average 1982-83 prices, revalued using the roads output index.

* Consistent indices for calculating constant prices for motorway building unavailable prior to 1974.

† Provisional.

Motorway construction costs per mile vary significantly depending on the standard and location of the road concerned. The figures in the table represent very broad average costs by type of motorway and do not reflect accurately the costs of building specific motorways at particular times. In addition to works expenditure, additional costs such as land acquisition may add between 20 and 30 per cent. to the costs of building motorways.

British Rail

Mr. Pawsey asked the Secretary of State for Transport what new initiatives British Rail is taking on a national level to make known to passengers the facilities it offers,

the standards it seeks to achieve, and the procedures customers should follow if the service does not satisfy them.

Mr. David Mitchell: I understand that BR is today publishing a "Code of Practice" which it has prepared in conjunction with the Central Transport Consultative Committee. The code provides a general guide to rail travel and the standards of service the board aims to achieve.

I think it is a good thing that the board is producing such a document, which I am sure its customers will find informative and useful. I believe BR plans to distribute copies to all Members of Parliament and the TUCCs, and that copies will be available at all BR stations and travel agents.

ATTORNEY-GENERAL

Crown Court Appeals

Mr. Kilroy-Silk asked the Attorney-General what is the estimated cost of court and staff time involved in a hearing in the Crown court of an appeal against sentence.

The Attorney-General: £80.

Mr. Kilroy-Silk asked the Attorney-General what is the average cost to the legal aid fund of a legally aided hearing in the Crown court of an appeal against sentence.

The Attorney-General: The latest period for which figures are available is the last quarter of 1984. The average cost was then £177.

Bail Applications

Mr. Kilroy-Silk asked the Attorney-General what is the estimated cost of an application for bail pending appeal to a judge in chambers.

The Attorney-General: Application is to the Crown court. The estimated cost is £40.

NORTHERN IRELAND

Tiger (Portavogie)

Mr. John David Taylor asked the Secretary of State for Northern Ireland if he has received any complaints about a tiger in Portavogie; and if he is satisfied with the enclosure in which the tiger is presently housed; and if he will make a statement.

Mr. Chris Patten: I have received no such complaints other than from the right hon. Gentleman. It is the responsibility of the district council to take action if it is felt that an animal is so kept as to constitute a public health nuisance. I understand there is no evidence at present to suggest that such action is necessary.

Nursing Homes

Rev. Martin Smyth asked the Secretary of State for Northern Ireland if he will publish a table showing the number of registered nursing homes and private clinics and the number of beds available in them in Northern Ireland.

Mr. Chris Patten: Twenty-eight premises, providing 654 beds, are registered under the Nursing Homes and Nursing Agencies Act (Northern Ireland) 1971. Three of the premises, providing 114 beds, are registered as carrying out surgical procedures.

Hospital Inpatient Costs

Rev. Martin Smyth asked the Secretary of State for Northern Ireland if he will publish a table showing hospital inpatient costs by type of hospital, expressed in pounds per patient per week for Northern Ireland.

Mr. Chris Patten: The information requested is as follows:

Type of Hospital	*Cost per patient per week (year ended 31 March 1984)* £
Acute	356
Mainly Acute	423
Partly Acute	354
Sub Acute	311
Mainly Long Stay	346
Long Stay	239
Maternity	590
Psychiatric (Mental Illness)	220
Psychiatric (Mental Handicap)	217
Tuberculosis and Chest	481
Teaching	657
Other	407

Housing Benefit

Rev. Martin Smyth asked the Secretary of State for Northern Ireland if he will give the numbers of people in Northern Ireland in receipt of housing benefit; and how many of these are *(a)* pensioners, *(b)* housing executive tenants, *(c)* low-income recipients not in receipt of supplementary benefit and *(d)* householders in receipt of supplementary benefit.

Mr. Chris Patten: The total number of housing benefit recipients at 15 March 1985 was just over 189,600. This included some

(a) 84,800 pensioners;
(b) 114,600 Housing Executive tenants;
(c) 67,400 persons not receiving supplementary benefit, and
(d) 122,200 householders in receipt of supplementary benefit.

WALES

Households

Mr. Anderson asked the Secretary of State for Wales whether he will publish household projections similar to those published by the Department of the Environment for England.

Mr. Wyn Roberts: The current household projections for Wales have circulated already to all local authorities in Wales and are freely available on request. I am sending the hon. Gentleman a copy. The projections will also be published in the next volume of "Welsh Housing Statistics".

A55

Mr. Best asked the Secretary of State for Wales if he will list in the *Official Report* the earliest and latest completion dates for each section of the A55 dual carriageway.

Mr. John Stradling Thomas: Individual schemes are provisionally programmed for a start within defined time bands, not on the basis of completion dates. My present assessment of progress with the A55 schemes now started, or in preparation is:

	*Current Provisional Start Date**	*Approximate Length of Contract (years)*
Holywell Bypass	Started October 1984	2½
Bodelwyddan Bypass	Started May 1985	2
Penmaenbach-Dwygyfylchi Improvement	Under Review	3¼
Llanfairfechan Bypass	January 1986-December 1988	2
Penmaenmawr Bypass	January 1986-December 1988	2½
Glan Conwy-Conwy Morfa (Conwy Crossing)	1986	4¼
Pen-y-Clip Tunnel	January 1986-December 1988	3½
Northop Bypass	January 1986-December 1988	2
Travellers Inn Improvement	January 1986-December 1988	1½
Rhuallt Hill Improvement	Post 1988	2
Aber Improvement	Post 1988	1½

* Subject to the satisfactory completion of engineering design, statutory procedures, and the availability of resources.

Road Construction

Mr. Best asked the Secretary of State for Wales if he will give the number of miles of new and improved roads in Wales which are under construction or have been completed since 1979 under schemes approved by his Department.

Mr. John Stradling Thomas: Since May 1979, 100 miles of new and improved roads have been completed in schemes costing £1 million or more, and 23 miles are presently under construction.

Forestry Commission

Mr. Ron Davies asked the Secretary of State for Wales if he will list in the *Official Report* the names and locations of the woodlands for which felling licences for the conversion of the land to agriculture were issued in the Forestry Commission's north and south Wales conservancies, respectively, in the years 1982-83, 1983-84 and 1984-85.

Mr. John Stradling Thomas: I shall reply to the hon. Gentleman as soon as possible.

Rate Support Grant

Mr. Best asked the Secretary of State for Wales when the rate support grant supplementary reports for 1983-84 and 1985-86 will be published.

Mr. Nicholas Edwards: I have today laid before Parliament the Welsh Rate Support Grant Supplementary (No. 2) Report 1983-84 which adjusts local authorities' grant entitlement for the year using final information on expenditure outturns and interest rates. This data shows that fewer authorities have exceeded their targets than at budget stage and that the gross overspend by authorities has fallen. As a result grant holdback is reduced from £12·6 million to £10 million.

The report also makes consequential changes to the calsulation of grant related expenditure.

My Department is sending local authorities copies of the report, and details of their revised grant entitlements.

I propose to lay the first supplementary report for 1985-86 before the House on 9 July.

TRADE AND INDUSTRY

Inward Investment Unit

Mr. Moynihan asked the Secretary of State for Trade and Industry how many inward investment missions from the inward investment unit of his Department have been carried out to *(a)* the United States of America, *(b)* Japan and *(c)* the continental European Economic Community in the last (i) three years and (ii) five years.

Mr. Trippier: The Invest in Britain bureau in my Department does not carry out inward investment missions to overseas countries. Its main activities are, in consultation with diplomatic service posts and other promotional bodies in the United Kingdom, organising seminars and investment lunches and dinners overseas; dealing with individual prospective investors; United Kingdom coordination of inward investment promotion activities; and publicising overseas the attractiveness of the United Kingdom as a location for investment.

National Audit Office (Documents)

Mr. Gould asked the Secretary of State for Trade and Industry, further to his answer of 20 June, *Official Report*, column *176*, what safeguards exist to ensure that documents stamped "Not for National Audit Office Eyes" fall within the category agreed with the National Audit Office; and when this practice originated.

Mr. Butcher: The internal audit branch of my Department whose reports are sent to the National Audit Office, review compliance with instructions for the correct classifications of such documents. The practice became established very many years ago with the knowledge of the then Exchequer and Audit Department.

Patents Office

Mr. Gould asked the Secretary of State for Trade and Industry, further to his reply of 25 February, *Official Report*, column *10*, about changing the status of the Patents Office, what provisos on the implementation of any change in status were specified by the 10 respondents; and what constituted necessity in the view of 30 respondents.

Mr. Butcher: Ten of the respondents who favoured changing the status of the Patents Office did so provided that Patents Office fees were not substantially increased as a result of the change and/or that acceptable arrangements were adopted regarding the powers to be delegated to the office and regarding the constitution of its management board. Thirty respondents were prepared to accept a change of status if this were necessary to enable the office to respond better to user needs for new and improved services.

Lead Development Association (Exhibition)

Mr. Brinton asked the Secretary of State for Trade and Industry if he will arrange for an exhibition relating to the Lead Development Association to be displayed in the Upper Waiting Hall.

Mr. Trippier: Yes. Arrangements have been made for such an exhibition in the Upper Waiting Hall to take place from 15 July 1985 to 21 July 1985.

HOME DEPARTMENT

Sri Lankan Nationals

6. **Mr. Flannery** asked the Secretary of State for the Home Department if he will now withdraw the visa requirement for Sri Lankan nationals.

Mr. Brittan: No.

21. **Mr. Corbyn** asked the Secretary of State for the Home Department when he intends to review the policy of requiring visas for Sri Lankan nationals wishing to travel from Sri Lanka to Britain.

Mr. Waddington: The policy is being kept under review but my right hon. and learned Friend has no plans to withdraw the visa requirement for Sri Lankan citizens at present.

Mr. Madden asked the Secretary of State for the Home Department whether Sri Lankan citizens, who are permanently resident in Britain, now have to obtain a re-entry visa if they wish to visit an overseas country; what regulations apply to citizens of other Commonwealth countries; and if he will make a statement.

Mr. Waddington: All Sri Lankan citizens, except those who were settled in the United Kingdom at the coming into force of the Immigration Act 1971 and who qualify for readmission under paragraph 56 of the immigration rules (HC 169) require entry or re-entry visas. Citizens of no other Commonwealth country are subject to a general visa requirement, but depending on the purpose for which he is seeking entry a Commonwealth citizen may be required to obtain prior entry clearance in the form of an entry certificate.

Tamils

14. **Mr. Nellist** asked the Secretary of State for the Home Department how many Tamils have now arrived in the United Kingdom since 20 April; and how many have since been removed to Colombo.

Mr. Waddington: Figures are readily available only from the beginning of May. Since then, some 1,345 Sri Lankan Tamils have arrived at United Kingdom ports and applied for asylum; one has so far been removed to Colombo.

Mr. Madden asked the Secretary of State for the Home Department how many Tamils who sought refuge in the United Kingdom during May are still in detention; why such Tamils were placed in detention; and if he will make a statement.

Mr. Waddington: No Sri Lankan Tamil who sought asylum upon arrival in the United Kingdom during the month of May is now detained. A passenger seeking asylum on arrival is not normally detained pending resolution of his application unless he has no alternative accommodation or the immigration officer considers that he will not comply with such conditions of temporary admission as may be imposed upon him.

Wandsworth Prison

16. **Mr. Tom Cox** asked the Secretary of State for the Home Department whether he will make a statement on conditions in Wandsworth prison.

Mr. Mellor: Wandsworth shares the shortcomings, especially in sanitary provision, of Victorian prisons that have not been refurbished. It is, however, less overcrowded than most such prisons; its certified normal accommodation is 1,258 and on 29 June its population was 1,554.

Immigration Rules

18. **Mr. Tony Lloyd** asked the Secretary of State for the Home Department if he will give an undertaking to publish draft immigration rules before major changes are introduced.

24. **Mr. Eastham** asked the Secretary of State for the Home Department if he will give an undertaking to publish draft immigration rules before major changes are introduced.

Mr. Waddington: No.

Public Order White Paper

19. **Mr. Kirkwood** asked the Secretary of State for the Home Department what recent representations he has had on his White Paper on public order.

Mr. Giles Shaw: We have received comments from a wide range of organisations and individuals; and a number of other organisations have indicated an intention to comment in the near future. Following is a list of those organisations which have commented to date:

The Anti-Aparheid Movement, the Association of British Insurers, the Association of Chief Police Officers, the Association of County Councils, the Association of District Councils, the City of Cardiff, the City of Coventry, the City of London Police Committee, the Engineering Employers' Federation, the Football Leagues, the Greater Manchester Council, the Guild of British Newspaper Editors, JUSTICE, the Legal Action Group, the London Borough of Camden, the London Borough of Croydon, the London Borough of Southwark, the Liverpool 8 Law Centre, the Magistrates' Association, the National Association of Probation Officers, the National Union of Public Employees, the Organisation of Private Tenants, the Police Federation, the Society of Civil and Public Servants, and the Society for Distributing Hebrew Scriptures. In Scotland comments have been received from the Association of Scottish Police Superintendents, the Department of Public Law at Aberdeen University and the Scottish Police Federation.

Young Offenders

20. **Mr. Michael McNair-Wilson** asked the Secretary of State for the Home Department if he will make a statement about the effectiveness of the short, sharp shock treatment on young offenders.

Mr. Mellor: The aim of the new detention centre regime is to be brisk, purposeful and properly geared to the short sentences involved, without either softness or brutality. I believe that this objective is being achieved.

Mr. Ron Davies asked the Secretary of State for the Home Department (1) what were the numbers of young people aged *(a)* 10 to 14 years, *(b)* 14 to 17 years and *(c)* 17 to 21 years, respectively, sentenced or apprehended for indictable offences in Wales in the last year for which figures are available; and how these figures compare with those for 1980, 1975 and 1970, respectively;

(2) if he will give, for each county in England, the numbers of young people aged *(a)* 10 to 14 years, *(b)* 14 to 17 years and *(c)* 17 to 21 years, respectively, sentenced

or apprehended for indictable offences in the last year for which figures are available; and if he will compare those figures with those for 1980, 1975 and 1970 respectively;

(3) if he will give, for each county in Wales, the numbers of young people aged *(a)* 10 to 14 years, *(b)* 14 to 17 years and *(c)* 17 to 21 years, respectively, sentenced or apprehended for indictable offences in the last year for which figures are available; and if he will compare those figures with those for 1980, 1975 and 1970, respectively;

(4). what were the numbers of young people aged *(a)* 10 to 14 years, *(b)* 14 to 17 years and *(c)* 17 to 21 years, respectively, sentenced or apprehended for indictable offences in England in the last year for which figures are available; and how these figures compare with those for 1980, 1975 and 1970, respectively.

Mr. Mellor: The readily available information is published, for the latest year for which figures are available, in "Criminal Statistics, England and Wales, Supplementary Tables, 1983", vol 3, in tables S3.3(B)—(D) for magistrates' courts and tables S3.5(b)—(D) for the Crown court; and in the corresponding supplementary tables for 1980 and supplementary statistics for 1970. Less detailed information is available for 1975 and is given in tables X and XII of the Command Paper for that year (Cmnd 6566).

Prohibited Drugs

22. **Mr. Spencer** asked the Secretary of State for the Home Department what recent steps he has taken to combat the importation of prohibited drugs.

Mr. Mellor: The Government have taken a number of measures to curb the illicit importation of drugs. Most recently, my right hon. Friend the Chancellor of the Exchequer announced the appointment of 50 more customs specialist drugs investigators.

Metropolitan Police (Expenditure)

23. **Mr. John Fraser** asked the Secretary of State for the Home Department to what extent he considered recent crime statistics for London when fixing the cash limit on the expenditure of the Metropolitan police.

Mr. Giles Shaw: My right hon. and learned Friend naturally has regard to statistical trends in recorded crime when determining what resources should be made available to the Metropolitan police, but there is no precise or automatic correlation between the two. The first priority in tackling crime is to ensure taht the considerable resources already made available to the police service by this Government are used to best advantage and that methods of prevention and detection are as effective as they can be made. A solution does not simply or necessarily lie in the provision of further resources.

Sex Discrimination

25. **Mr. James Lamond** asked the Secretary of State for the Home Department if he will make a statement on Government policy following the recent judgment by the European Court of Human Rights on sex discrimination.

26. **Mr. Sedgemore** asked the Secretary of State for the Home Department if he will make a statement on Government policy following the recent judgment by the European Court of Human Rights on sex discrimination.

Mr. Waddington: The Government are urgently reviewing the options for amending the immigration rules to comply with the court's judgment and will announce its decision as soon as possible.

Crime

27. **Mr. Randall** asked the Secretary of State for the Home Department which recent measures have been most successful in reducing crime.

Mr. Mellor: We are taking action on a number of fronts, and it is difficult to relate changes in the level of crime to particular measures. But some of the crime prevention schemes which have been mounted locally with our encouragement have led to demonstrable reductions in the local incidence of crimes such as burglary.

35. **Mr. Austin Mitchell** asked the Secretary of State for the Home Department what reduction in recorded crime he estimates can be attributed to recent new Government policies.

Mr. Mellor: In order to make such an assessment it would be necessary to estimate what the general level of recorded crime would have been if a particular policy had not been followed. There is no way of doing so reliably.

28. **Mr. Willie W. Hamilton** asked the Secretary of State for the Home Department if he will make a statement on the latest trends in the crime rates.

Mr. Mellor: Recorded crime in England and Wales in the first quarter of 1985 was 3 per cent. higher than in the same quarter last year. Though any increase is unwelcome, this was a lower increase over the corresponding period of the previous year than in any recent quarter, and within the total there was a reduction of about 3 per cent. in the number of burglaries recorded.

Civil Defence Inspectorate

29. **Mr. Bill Walker** asked the Secretary of State for the Home Department when he proposes to establish a civil defence inspectorate.

33. **Mr. Neil Thorne** asked the Secretary of State for the Home Department what plans he has to re-establish the home defence executive or a similar body with the powers of a civil defence inspectorate.

Mr. Giles Shaw: We have no plans at present; progress by local authorities on implementing the 1983 regulations is being maintained by visits from and meetings and correspondence with the Civil Defence Adviser to the Home Office and other officials. We will keep the need for a formal inspectorate under review.

Police Tactics (Manuals)

30. **Mr. Patchett** asked the Secretary of State for the Home Department whether he has any plans to review manuals on police tactics.

Mr. Giles Shaw: Chief officers of police are reviewing the tactics used in public order situations as part of their reviews of police operations during the miners' dispute.

Civil Defence

31. **Mr. Aspinwall** asked the Secretary of State for the Home Department what plans he has for a comprehensive civil defence shelter and evacuation policy.

Mr. Giles Shaw: In the unlikely event of a nuclear attack no part of this country could be judged safe from all its effects and there is therefore no certain basis for an evacuation plan. The Government's plans currently rely on the implementation by local authorities of their plans made under the 1983 regulations, including the utilisation of buildings and other structures as public shelters and on people using and improving the protection already offered by their own homes. The matter is under review.

54. **Mr. Gerald Bowden** asked the Secretary of State for the Home Department what resources will be concentrated on planning for survival at community level for civil defence.

Mr. Giles Shaw: All civil defence planning is ultimately directed at the survival of communities and the people within them, and expenditure in the current financial year is expected to be £80 million. Responsibility for planning specifically at the community level rests with the county authorities and the GLC assisted by district and borough authorities and the support available from the co-ordinator of volunteer effort. Total expenditure by local authorities on civil defence planning is expected to be £15 million in the current financial year; a level of expenditure within that total for particular aspects of planning has not been set.

Drug Abuse

32. **Dr. Mawhinney** asked the Secretary of State for the Home Department if he will make a statement on his Department's latest measures to combat drug abuse.

Mr. Mellor: Government measures to combat drug misuse were set out in "Tackling Drug Misuse: A Summary of the Government's Strategy", which was published in March and a copy of which is in the Library. Subsequent initiatives have included an increase to £11·5 million in DHSS central funding for treatment and rehabilitation projects; the launch of an advertising campaign in England and Wales; the publication of a summary of English health authorities' plans for improving services for drug misuser; a scheme under the education support grant arrangements, costing up to £2 million in 1986-87, to enable each local education authority in England and Wales to appoint an officer to co-ordinate preventive action; and the appointment of 50 more Customs specialist drugs investigators.

Police and Criminal Evidence Act 1984

34. **Mr. Cohen** asked the Secretary of State for the Home Department whether he will delay the bringing into force of the sections of the Police and Criminal Evidence Act 1984 due to come into force on 1 January 1986 until the 24-hour solicitor scheme is available throughout England and Wales.

Mr. Giles Shaw: The provisions of the Police and Criminal Evidence Act 1984 are not dependent on the prior existence of a 24-hour duty solicitor scheme throughout England and Wales.

London Policemen (Firearms)

36. **Mr. Parry** asked the Secretary of State for the Home Department whether he has had any discussion with the Commissioner of Police of the Metropolis concerning the issuing of firearms to policemen in London.

Mr. Brittan: Not in the recent past. But I am satisfied that the arrangements in the Metropolitan police on these matters fully reflect the guidelines issued in March 1983.

Young People (Sentencing Policy)

37. **Mr. Boyes** asked the Secretary of State for the Home Department whether he will set up an inquiry into sentencing policy for young people.

Mr. Mellor: No. The Criminal Justice Act 1982 introduced a new sentencing structure for young offenders, whose effects we are monitoring closely; but my right hon. and learned Friend has no further plans for major change in this area.

Railway Vandalism (Parental Responsibility)

38. **Mr. Amess** asked the Secretary of State for the Home Department if he will seek to introduce legislation to ensure parental responsibility for children who throw objects on trains and railway tracks in use.

Mr. Mellor: In the Criminal Justice Act 1982 we strengthened the courts' powers to bring home to parents their responsibilities by ordering them to pay fines, compensation or costs imposed on children under 17. We have no plans for further legislation on this point.

Alcohol Sales (Supermarkets)

39. **Mr. Beith** asked the Secretary of State for the Home Department whether he is satisfied with the working of the present law regulating the sale of alcohol in supermarkets, particularly in respect of young people.

Mr. Mellor: Supermarkets with off-licences are subject to the licensing law in the same way as other off-licensed premises. Breaches of that law are a matter for the police and it is open to them or to any other person to oppose the annual renewal of a licence. I am not aware of any evidence to suggest that the operation of the present law at supermarkets causes particular problems.

Temporary Parole (Statistics)

40. **Mr. Freeman** asked the Secretary of State for the Home Department if he will give statistics for the last five years for those prisoners given temporary parole within one year of the end of their sentences who failed to report back to prison.

Mr. Mellor: Information in respect of 1984 is not yet available. The information which is available is as follows:

Year	*No. of occasions when home leave and pre-parole leave granted**	*No. of prisoners reported as failing to return†*
1979	5,383	297
1980	5,465	290
1981	5,222	285
1982	5,208	206
1983	4,893	194

* Excludes youth custody centres, borstals and detention centres.
† Many of those reported as failing to return will have returned late.

Crime Prevention

41. **Mr. Maclean** asked the Secretary of State for the Home Department what are the latest steps he is taking to improve crime prevention.

Mr. Giles Shaw: Under the aegis of the Home Office standing conference on crime prevention working groups have been established to devise preventive measures against residential burglary; for improving car security; and to take forward the revision of guidelines for crime prevention panels. Reports of the working groups will be presented in November. A joint Home Office/Association of Chief Police Offices working party is carrying out a review of police crime prevention training needs and the role of the Home Office crime prevention centre. The Home Office crime prevention unit has a range of research projects in hand. The unit's report on property marking in south Wales, published last month, demonstrates how domestic burglarly can be reduced significantly; that project continues.

46. **Mr. Mikardo** asked the Secretary of State for the Home Department when he proposes to announce further measures to combat the increase in recorded crime.

Mr. Giles Shaw: I refer the hon. Member to the reply given earlier today to a question from the hon. Member for Cynon Valley (Mrs. Clwyd).

Special Constables

42. **Mr. Thurnham** asked the Secretary of State for the Home Department if he will estimate how many special constables will be serving in the United Kingdom during 1985.

Mr. Giles Shaw: Recruitment to the special constabulary is the responsibility of chief officers of police. There were 16,012 special constables in forces in England and Wales on 31 December 1984.

Police Custody

43. **Mr. Stan Thorne** asked the Secretary of State for the Home Department whether he is satisfied with current procedures to prevent deaths in police custody.

Mr. Giles Shaw: Yes. The consolidated circular to the police on crime and kindred matters provides guidance on the procedures to be followed in cases where a detained person appears to be ill or physically unfit, or to present special risk.

Hooliganism

44. **Mr. Gerald Howarth** asked the Secretary of State for the Home Department if he has considered the reintroduction of conscription as a means of reducing football and other forms of hooliganism; and if he will make a statement.

Mr. Giles Shaw: In her statement to the House on 3 June my right hon. Friend the Prime Minister set out the measures which are being taken to deal with football hooliganism, including the introduction of legislation to control the possession of alcohol at, or on the way to, football matches. We do not regard the reintroduction of conscription as being an appropriate way of dealing with this problem.

Metropolitan Police (Expenditure)

45. **Mr. Norman Atkinson** asked the Secretary of State for the Home Department what advice he receives independent of the Metropolitan police when he reviews its budget submissions; and by how much he reduced its submission for 1985-86.

Mr. Giles Shaw: My right hon. and learned Friend receives advice from the Department. He also has regard to views expressed by right hon. and hon. Members from time to time and by the local authority associations concerned at their regular November meeting on the estimates with the receiver for the Metropolitan police district.

The Metropolitan police estimates for 1985-86, which he approved in February, were prepared by the receiver within limits set by him earlier in the financial cycle.

Concessionary Television Licences

47. **Mr. Phillip Oppenheim** asked the Secretary of State for the Home Department whether he has any plans to change the system of concessionary television licensing.

Mr. Giles Shaw: I refer my hon. Friend to the reply gives to his question on 28 March at column *269*.

Defendants (Compensation)

Ms. Clare Short asked the Secretary of State for the Home Department whether he will introduce legislation to establish a compensation scheme for defendants who are remanded in custody and subsequently acquitted.

Mr. Mellor: The question in what cases compensation should be paid out of public funds to defendants acquitted at trial is within the scope of the current review of arrangements for compensation in this field. My right hon. and learned Friend hopes to be in a position to announce our conclusions later this year.

European Convention on Human Rights

49. **Mr. Madden** asked the Secretary of State for the Home Department when he expects to announce the Government's decision about how they intend to comply with the European convention on human rights in respect of husbands and fiancés.

Mr. Waddington: As soon as possible.

Victim Support Schemes

50. **Mr. Corbett** asked the Secretary of State for the Home Department what percentage of central Government spending on law and order services is spent on funding victim support schemes.

Mr. David Mellor: Total estimated central Government expenditure on law and order services in England and Wales during the current financial year will be £1,087 million. The Department is making a grant to the National Association of Victims Support Schemes of up to £120,000, which represents approximately 0·01 per cent. of this total; and some £37 million (or 3·4 per cent. will be spent on compensating victims through the Criminal Injuries Compensation Scheme. In addition, an unquantifiable proportion of police resources is devoted to assisting the victims of crime.

Some local victims support schemes receive grants through the Manpower Services Commission, the Urban Programme and the DHSS "Opportunities for Volunteering" scheme, but such payments are not included in calculations of expenditure on law and order.

Identity Cards

51. **Mr. David Atkinson** asked the Secretary of State for the Home Department if he has any plans to seek to introduce identity cards; and if he will make a statement.

Mr. Waddington: My right hon. and learned Friend has no plans to do so.

Licensing Laws

52. **Mr. Andrew MacKay** asked the Secretary of State for the Home Department how many representations he has received following the publication of the preliminary report of the Office of Population Censuses and Surveys' study of drinking in Scotland on the implications for policy on licensing laws in England and Wales.

Mr. Mellor: I refer my hon. Friend to the reply given earlier today to a question from my hon. Friend the Member for Staffordshire, Moorlands (Mr. Knox).

Football Ground Safety

53. **Mr. Pavitt** asked the Secretary of State for the Home Department if, in relation to football grounds, he will take steps to ensure that, where wooden stands exist on the terraces, these areas should be no smoking areas.

Mr. Giles Shaw: The extent to which restrictions on smoking might contribute to safety against fire risks in football stadia is a matter within the terms of reference of the Popplewell committee of inquiry and I will arrange for the hon. Member's suggestion to be brought to the committee's attention.

European Court of Human Rights (Immigration Rules)

55. **Mr. Teddy Taylor** asked the Secretary of State for the Home Department how many representations he has received about the decision of the European Court of Human Rights on Her Majesty's Government's immigration rules; and if he will make a statement.

Mr. Waddington: We had received at 2 July about 125 written representations arising out of the Court's decision the great majority in favour of maintaining firm immigration control. The Government are urgently reviewing the options for amending the immigration rules to comply with the court's judgment and will announce their decision as soon as possible.

Holloway Prison

56. **Ms. Richardson** asked the Secretary of State for the Home Department when he proposes to publish the report on facilities in Holloway prison.

Mr. Mellor: I refer the hon. Member to the reply given to questions from the hon. Members for Burnley (Mr. Pike) and Hammersmith (Mr. Soley) on 13 June at column *501*.

Drug Squad Duties

57. **Mr. Hirst** asked the Secretary of State for the Home Department how many police officers are now wholly engaged in drug squad duties; and if he will make a statement.

Mr. Giles Shaw: Figures for the strength of force drug squads in England and Wales as at 1 January 1985 were provided in the reply given to the hon. Member for Liverpool, Mossley Hill (Mr. Alton) on 21 June at columns 395-96.

Popplewell Report (Football Grounds)

58. **Mr. Leigh** asked the Secretary of State for the Home Department if he has yet received Mr. Justice Popplewell's report on incidents at football grounds.

Mr. Giles Shaw: We hope to receive an interim report from Mr. Justice Popplewell during July, dealing mainly with the events at Bradford City and Birmingham football grounds on 11 May. Thereafter he will proceed with his final report as soon as possible.

Drug Trafficking

59. **Mr. Ashdown** asked the Secretary of State for the Home Department what recent representations he has had about the measures currently being taken to inhibit drug trafficking.

Mr. Mellor: We have received a number of letters expressing concern about drug trafficking and drug misuse. In reply we have emphasised the priority which the Government attaches to this problem and the range of measures which we have taken, including the provision this year of 160 new permanent Customs preventive posts and 50 more Customs specialist drugs investigators.

Mr. Lawler asked the Secretary of State for the Home Department if he will list the numbers of persons charged with offences relating to drug trafficking in the Yorkshire and Humberside region during the past five years; and if he will break down this figure into areas within the Yorkshire and Humberside region.

Mr. Mellor: The available information is given in the following table. Corresponding figures for 1984 are not yet available.

Persons proceeded against in the Yorkshire and Humberside region for trafficking in controlled drugs*

Police force area	*1980*	*1981*	*1982*	*1983*
Humberside	10	22	20	11
North Yorkshire	8	20	10	16
South Yorkshire	14	24	43	27
West Yorkshire	63	60	66	78
Total	95	126	139	132

* Offences of unlawful production of drugs other than cannibis, unlawful supply, possession with intent to supply unlawfully and unlawful import or export.

Heathrow (Jokes)

60. **Mr. Ian Lloyd** asked the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police of the Metropolis as to on whose authority a statement was issued by chief inspector Jim

Hunt that travellers making jocular remarks about the security procedures at Heathrow would be arrested, charged and brought before the court; and if he will make a statement.

Mr. Giles Shaw: The Commissioner of Police of the Metropolis tells me that in the course of a regular weekly briefing of the local press, the chief inspector in charge of operations at Heathrow airport, acting with the full authority of the commander of airport district, drew attention to the serious difficulties caused to airport staff and public by a sharp increase recently in the number of calls on the police to deal with suspected bombs. This has included a number of incidents where passengers handing in luggage for screening have claimed that it contained a bomb. Such highly irresponsible acts cause considerable alarm and distress to staff and public and, against the background of recent terrorist activity, all such incidents have to be checked out by the police. In view of this the chief inspector indicated that the police would, in appropriate cases, consider taking action against those making such claims.

It is an offence under section 51(2) of the Criminal Law Act 1977 for a person to communicate any information which he knows or believes to be false to another person with the intention of inducing in him or any other person a false belief that a bomb or other thing liable to explode or ignite is present in any place or location whatever.

Frankland Prison

Mr. Irving asked the Secretary of State for the Home Department (1) what was the cost of installing a Zuckermann wood-working machine at Frankland prison;

(2) whether the Zuckermann wood-working machine at Frankland prison has ever been used;

(3) what assessment he has made of the cost of moving the Zuckermann wood-working machine out of Frankland prison; and if he will make a statement.

Mr. David Mellor: The machine was purchased in 1980 at a cost of £144,000. Additional costs of £6,000 were incurred in installing it. The cost of moving the machine, which has been used only for trial periods, would be in the region of £2,000. It is now clear that the machine cannot be used effectively in prison industries and that the decision to purchase it was based on an error of judgment about the market for furniture assembly work carried out in prisons. The machine has been offered for sale by tender.

Financial and managerial performance in prison industries should be improved by the changes in control, managment and polices which my right hon. and learned Friend announced on 31 October at column *987*.

Trials (Statistics)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department how many people in 1983 and 1984, respectively, who were proceeded against in all courts were not subsequently convicted; and what percentage of the total number of people proceeded against this represented.

Mr. Mellor: The information requested is published annually in "Criminal Statistics, England and Wales, Supplementary Tables, 1983", vol. 1, table S1.1(A)—magistrates' courts and vol. 2, table S2.1(A) — the Crown court. Corresponding information for 1984 is not yet available.

Privacy

Mr. Kilroy-Silk asked the Secretary of State for the Home Department if he will deposit in the Library copies of all the papers prepared for the forthcoming Organisation for Economic Co-operation and Development intergovernmental meeting on privacy.

Mr. Waddington: All but two of the papers presented to the meeting remain, for the time being, internal to the OECD. I am arranging to deposit those two—a paper on freedom of information and one by the trade union advisory committee—in the Library.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department if Her Majesty's Government will press for all future meetings of the Organisation for Economic Co-operation and Development intergovernmental meetings on privacy to be open on an observer basis to the accredited representatives of responsible and interested international bodies, including the International Organisation of Consumer Unions.

Mr. Waddington: The OECD has clear rules which limit the attendance of non-governmental bodies at its meetings. The business and industry advisory committee and the trade union advisory committee are, however, regularly invited to exchange views with OECD committees, and bodies seeking direct access to committee meetings are best advised to work through BIAC or through TUAC. The meeting on privacy held in Paris on 26 and 27 June was a routine one to review the implementation in member states of the OECD guidelines on data protection. I understand that no further meeting of the privacy group is planned for at least 18 months.

Political Asylum

Mr. Hunter asked the Secretary of State for the Home Department (1) how many foreign nationals have successfully appealed against the initial refusal of political asylum in each year since 1979;

(2) what, since 1979, has been the average time between the refusal of an application for political asylum in the United Kingdom and the end of appeal proceedings;

(3) what, since 1979, has been *(a)* the shortest and *(b)* the longest time between a refusal of an application for political asylum in the United Kingdom and the end of appeal proceedings.

Mr. Waddington: I understand from the appellate authorities that no separate records of asylum appeals are maintained; the information requested is therefore not available.

Prison Population

Mr. Kilroy-Silk asked the Secretary of State for the Home Department by how many people the prison population has changed since Easter; and what was the figure for the same period after Easter in 1982, 1983 and 1984, respectively.

Mr. Mellor: The increase or decrease in the prison population between Good Friday and the last Friday in June has been as follows:

Year	Increase or decrease	Number of weeks
1982	−113	*11
1983	†−695	12
1984	−214	10
1985	+1,737	12

* In 1982 population figures for Good Friday were not recorded centrally; figures for the previous Friday are used instead.

† During May 1983 there was a fall of about 1,000 in the number of young offenders in the prison population following implementation of Part 1 of the Criminal Justice Act 1982.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department if he has made contingency plans to relieve overcrowding in prisons in the event that the rate at which the prisons building programme is implemented proves inadequate to cope with the increase in the prison population; and if he will make a statement.

Mr. Mellor: We naturally keep the adequacy of the prison building programme under review.

Wayland Prison

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what is the current population of Wayland prison.

Mr. Mellor: Four hundred and seventy-five on 28 June.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what provision exists for workshops at Wayland prison.

Mr. Mellor: Wayland prison has a workshop block of 8,100 square metres which will provide 281 workplaces for prisoners as follows:

	Workplaces
Industries	
Laundry	35
Tailoring	120
Farms and Gardens Machinery Repair	30
Vocational Training	
Welding	24
Motor Mechanics	12
Light Bodied Vehicle Repair	12
Industrial Cleaning	12
Construction Industry Training	
Painting and Decorating	12
Electrical Installation	12
Bricklaying	12

Mr. Kilroy-Silk: asked the Secretary of State for the Home Department how many prisoners participated in workshops at Wayland prison in the most recent convenient week; and what was their average working week.

Mr. Mellor: There were 21 prisoners employed in the laundry at Wayland prison in the week ending 23 June 1985. The average working week was 25·3 hours. About six prisoners were also employed in assembling racking in the tailoring workship, which is not yet in operation.

Prisons

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what plans for the refurbishment of cells in local prisons have been cancelled or deferred since the beginning of 1985.

Mr. Mellor: None.

Crime Statistics

Sir Anthony Grant asked the Secretary of State for the Home Department what was the number of crimes in England and Wales involving sex or violence in each of the last five years in which pornography was found to be a contributory factor.

Mr. Mellor: The available information on offences of violence against the person and sexual offences recorded by the police is published annually in "Criminal Statistics, England and Wales" (Tables 2.8 and 2.9 of the issue for 1983, Cmnd. 9349). Information is not collected centrally on whether pornography might have been involved.

Sir Anthony Grant asked the Secretary of State for the Home Department what was the number of convictions in England and Wales in each of the five years for producing, publishing or distributing obscene material or for conducting obscene exhibitions.

Mr. Mellor: The information available to me, which may be incomplete, is published annually under offence classification 86 in "Criminal Statistics, England and Wales, Supplementary Tables" — in Vol. 1, Table S1.1(A) for magistrates' courts and Vol. 2, Table S2.1(A) for the Crown Court. Information for 1984 is not yet available.

Drug Addicts

Mr. Amess asked the Secretary of State for the Home Department (1) how many known class A drug addicts there were in England and Wales in 1980, 1981, 1982, 1983, 1984 and 1985, respectively; and if he will break the information down by county;

(2) how many known class A drug addicts there were in Scotland in the years 1980, 1981, 1982, 1983, 1984 and 1985, respectively; and if he will break the information down by county.

Mr. Mellor: The available information on narcotic drug addicts notified to the Home Office relates to police force areas and is given, for the years 1980-83, in Tables 3.11 — 3.13 of "Statistics of the Misuse of Drugs, United Kingdom, Supplementary Tables 1983". Provisional figures for new addicts notified in 1984 by police force area were given in the reply to a question from my hon. Friend the Member for Westminster, North (Mr. Wheeler) on 11 June 1985 at columns 394-395.

Black People (Wilmslow)

Mr. Tony Lloyd asked the Secretary of State for the Home Department if he will call for a report from the chief constable of Cheshire police about his policy concerning questioning of black people in Wilmslow.

Mr. Giles Shaw: I am informed that the chief constable of Cheshire's policy concerning the questioning of members of the public is to treat every person of whatever race or creed with courtesy and understanding.

Police (Discipline)

Mr. Dobson asked the Secretary of State for the Home Department if he will list for each year since 1979 the number of appeals from police disciplinary hearings he received, the number of such appeals he referred to an appeal tribunal under the 1975 criteria, the number he referred to an appeal tribunal other than under the 1975 criteria, the number dealt with other than by reference to an appeal tribunal, the total and percentage where the original finding was upheld, where the original finding was reversed, where the original punishment was upheld and where the original punishment was reversed, respectively.

Mr. Giles Shaw: I shall reply as soon as possible.

Mr. Dobson asked the Secretary of State for the Home Department if he will give for each year since 1979 the number of charges laid under the Police Discipline Regulations in England and Wales arising from a complaint under section 49 of the Police Act and the number arising other than from such complaints, giving also the number of charges proved in each category.

Mr. Giles Shaw: The number of offences charged in England and Wales under the police discipline regulations in respect of matters arising from complaints under section 49 of the Police Act 1964 and otherwise, together with the numbers proved are as follows:

	Arising directly out of Section 49 complaints		*In other circumstances*	
	Total	*Proved*	*Total*	*Proved*
1979	233	164	1,283	1,143
1980	235	198	1,085	1,017
1981	231	183	1,220	1,120
1982	301	240	1,330	1,215
1983	258	197	1,236	1,120
1984	190	140	1,122	1,029

Mr. Frank Dobson asked the Secretary of State for the Home Department, for each year since 1979, how many Metropolitan police officers have *(a)* resigned after disciplinary charges have been preferred but before proceedings were completed, *(b)* resigned while under investigation for disciplinary matters and *(c)* were under suspension at the time of their resignation.

Mr. Giles Shaw: The information is included in the section on discipline in Chapter 2 (Personnel and Training) of the annual reports of the Commissioner of Police of the Metropolis but for convenience I summarise it as follows:

	1979	*1980*	*1981*	*1982*	*1983*	*1984*
Resigned after disciplinary charge had been preferred but before proceedings completed	10	10	10	8	15	5
Resigned while under investigation for disciplinary matters	42	22	22	29	26	30
Under suspension at the time of resignation	12	11	12	12	10	4

Mr. Peter Pickering

Mr. Patchett asked the Secretary of State for the Home Department whether his policy towards the case of Mr. Peter Pickering, a patient at Park Lane hospital, Merseyside, remains as stated in the *Official Report* on 9 April, columns 61-62.

Mr. Mellor: Yes, my right hon. and learned Friend and I continue to take the firm view that Mr. Pickering is not fit for release into the community.

Community Service

Mr. Richard Shepherd asked the Secretary of State for the Home Department what totals have been allocated to the community service budget for each of the years since 1979; and what proportion this represents of probation service expenditure.

Mr. Mellor: The allocation of resources to community service schemes is a matter for each area probation committee, and the information requested is not available centrally. Total local authority expenditure on the probation service has risen from £74 million in 1979-80 to an estimated £167 million in 1985-86, and a significant proportion of the real growth is due to the increasing use of the community service order. The number of ancillary workers, who are the staff mostly used to run community service schemes, rose over the same period rom 807 to 1,335, compared with a rise of 4,810 to 5,590 in the number of probation officers.

Stonehenge (Disturbances)

Mr. Alex Carlile asked the Secretary of State for the Home Department how many persons were *(a)* arrested and *(b)* charged in connection with grant disturbances at and near to Stonehenge; and the grounds of arrest and the nature of the charges; how many police officers and other were injured; and if he will make a statement.

Mr. Giles Shaw [*pursuant to his reply*, 14 June 1985, c. *570*]: I understand from the latest information available to the chief constable that, of the 482 arrests on 1 June 1985 and 161 arrests on other days between 31 May and 27 June the following action has so far been taken.

	Number
Charged	495
Not released:	
Released on police bail	77
Other*	71
Total arrested	643

*Includes 23 charge refused
32 cautioned
2 warrant for arrest
14 result not known

The majority of charges are for public order offences; other charges include possession of controlled drugs, theft, criminal damage and assault. In the police operation on 1 June, 15 police officers and 16 others were reported injured though none seriously.

Immigration

Mr. Dubs asked the Secretary of State for the Home Department how many applications for entry clearance from *(a)* wives and children and *(b)* husbands and fiances were referred/deferred for inquiries at each post of the Indian Sub-continent for each year since 1977.

Mr. Waddington *[pursuant to the reply, 25 June 1985, c. 344-45]*: The information requested is given in the following table:

*Applications for entry clearance referred or deferred *in the Indian Sub-continent*

	Number of persons							
	Bombay	Delhi	Calcutta	Madras	Islamabad	Karachi	Dhaka	Total
Wives and children								
1977	560	730	90	70	5,940	520	4,720	12,630
1978	640	740	50	90	5,820	240	3,540	11,130
1979	420	490	50	110	4,500	170	3,640	9,380
1980	500	460	70	+	5,170	180	6,170	12,560
1981	530	290	20	—	4,790	200	6,580	12,420
1982	370	250	40	—	4,460	70	4,800	9,990
1983	370	300	30	—	3,930	30	2,960	7,620
1984	390	250	70	—	3,820	20	3,000	7,540
÷Husbands and fiances								
1977	470	1,390	20	20	140	50	10	2,110
1978	400	640	20	40	200	30	10	1,350
1979	410	760	30	50	210	60	10	1,530
1980	220	1,020	10	10	440	80	+	1,790
1981	210	780	10	—	890	70	20	1,980
1982	190	320	+	—	410	20	20	960
1983	210	500	10	—	670	20	10	1,420
1984	280	250	10	—	1,100	40	10	1,700

+ 5 or fewer —Nil
* Referred to the Home Office for decision or deferred for further inquiries
÷ Including husbands applying for entry clearance for immediate settlement under the 1977 immigration rules

Racial Discrimination

Mr. Hancock asked the Secretary of State for the Home Department (1) how many employers were prosecuted for discrimination under the Race Relations Act *(a)* between 1976 and 1979 and *(b)* between 1979 and 1984;

(2) how many employers were prosecuted under the Sex Discrimination Act *(a)* between 1975 and 1979 and *(b)* between 1979 and 1985.

Mr. Mellor *[pursuant to his reply, 1 July 1985, c. 12]*: Under both the Sex Discrimination Act 1975 and the Race Relations Act 1976 complaints alleging unlawful discrimination in employment are dealt with under the civil law by applications to industrial tribunals. The available information about such applications is as follows:

Sex Discrimination Act 1975 (Source: Ninth Annual Report of the Equal Opportunities Commission 1984)

	Applications made to Industrial Tribunals	*Cases heard*
1 January 1976 to 31 December 1979	821	322
1 January 1980 to 30 December 1984	1,067	419
Race Relations Act 1976 (Source: Department of Employment Gazette)		
13 June 1977÷ to 30 June 1979	510	254
1 July 1979 to 30 June 1981	*758	340
1 January 1981 to 31 December 1984	*936	425

* From 1981, statistics have been collected in calendar years and there is therefore some double counting of the figures for the first half of that year.
÷ Date on which Act came into force.

The figures do not separately identify a small number of applications to tribunals in which the respondent is not an employer, (but is, for example, an employment agency, a vocational training body or a trade union).

AGRICULTURE, FISHERIES AND FOOD

Illegal Fishing

Dr. Godman asked the Minister of Agriculture, Fisheries and Food how many persons have been proceeded against for offences relating to illegal fishing at sea in each of the past five years; of what nationality these persons were; and what was the average penalty imposed.

Mr. MacGregor: I shall reply to the hon. Member as soon as possible.

Zimbabwe (Beef Quota)

Dr. David Clark asked the Minister of Agriculture, Fisheries and Food what offer has been made by the EEC to Zimbabwe in relation to beef quota.

Mr. Jopling: When in 1980 Zimbabwe acceded to the Lomé convention between the European Community and the African, Caribbean and Pacific States, she secured agreement to supply an annual quota of 8,100 tonnes of beef to the Community on the same concessionary basis as that already granted to other signatories. This provision remains part of the recently agreed Lomé III arrangements. Due to outbreaks of foot and mouth disease, however,

Zimbabwe has been unable to secure the veterinary clearance necessary for exports to the Community to take place. Commission veterinarians have recently visited Zimbabwe and, subject to veterinary clearance being granted, exports may shortly be permitted to commence.

SOCIAL SERVICES

Hospital Beds

Mr. Tom Cox asked the Secretary of State for Social Services what was the number of National Health Service beds in the London borough of Wandsworth on 31 May, and the corresponding number on 1 July 1979.

Mr. John Patten: Information is not available centrally on bed figures for the London borough of Wandsworth as its boundaries are not conterminous with those of the two district health authorities which serve the area — Wandsworth and Richmond, Twickenham and Roehampton.

The average daily number of available beds in Wandsworth health authority in 1984 was 2,534 (provisional) and the comparable figure for 1979 was 2,871. The number of inpatient cases treated per available bed rose from 15·2 in 1979 to 18·1 (provisional) in 1984.

Diet and Laundry Allowances

Mr. Pike asked the Secretary of State for Social Services how many supplementary benefit claimants in Lancashire are receiving *(a)* special diet allowance and *(b)* special laundry allowance.

Mr. Whitney: Information on special diet allowance and special laundry allowance is not available separately for claimants in Lancashire. Available information on claimants receiving these additions nationally in December 1983 is as follows:

	Number (Thousands)
Special Diet Allowance	445
Special Laundry Allowance	121

Source: Annual Statistical Enquiry 1983.

Doctors (Pay)

Mrs. Peacock asked the Secretary of State for Social Services if he proposes to take any action on the structure of general practitioners' remuneration following the recent recommendations of the report of the Royal College of General Practitioners on a pay-incentive scheme for general practitioners, a copy of which has been sent to him; and if he will make a statement.

Mr. Kenneth Clarke: We welcome this constructive contribution to public discussion about future arrangements for general practice. I have invited representatives of the Royal College to discuss its consultation document with me later this month, including the proposal for a closer link between remuneration and performance. We are not yet ready to make any firm proposals for changes in the structure of general practitioners' remuneration.

Outpatient Waiting Lists

Mrs. Peacock asked the Secretary of State for Social Services if he will make a statement on the present average length of waiting lists for hospital outpatient appointments; and how this compares with the figure for each year since 1979.

Mr. John Patten: This information is not at present collected centrally. The Health Services Information Steering Group has, however, recommended in its first report a new annual district return to be submitted centrally to record, by specialty, the number of patients waiting for an outpatient appointment. Health authorities have been asked to plan on the basis that the steering group's first report will be implemented by April 1987.

Notifiable Diseases

Mr. Ashley asked the Secretary of State for Social Services if he will take steps to ensure that, when notifiable diseases are reported, a record is made of whether or not they have arisen in hospitals.

Mr. Kenneth Clarke: The notification form, a copy of which I am sending to the right hon. Member, already has provision for the recording of this information.

Hospitals (Infection)

Mr. Ashley asked the Secretary of State for Social Services if he will take steps to estimate the cost of hospital acquired infection.

Mr. Kenneth Clarke: We have no plans to do so.

Mentally Handicapped People

Mr. Tony Lloyd asked the Secretary of State for Social Services, pursuant to the answer of 24 June, *Official Report*, columns *337-8*, if he will publish on a regional basis such information as is collected centrally about funding arrangements for transfer of mentally handicapped people from hospitals to the community.

Mr. Kenneth Clarke: I regret that my earlier reply to the hon. Member contained, when printed, a typing error in the first sentence. The reply that I drafted stated:

"We do expect funds to transfer when responsibility for services for mentally handicapped people transfers from one authority to another."

We expect authorities to make financial provision to support the local developments they propose, and to take account of all the services required when drawing up their plans. We look for evidence that this is happening when we scrutinise review papers, plans and programmes. I am not convinced that production of a centrally compiled account of funding arrangements within individual regions would be helpful without an equally detailed account of the service developments proposed. But I shall bear the hon. Member's suggestion in mind.

Leukaemia

Mr. Freud asked the Secretary of State for Social Services what representations he has had in respect of making lymphema leukaemia a condition specified for exemption from prescription charges; and if he will make a statement.

Mr. Kenneth Clarke: Since 1 January 1985 we have received one letter from an hon. Member and one letter from a member of the public about exempting people who

suffer with leukaemia from prescription charges. We have not received any representations on behalf of people who suffer from lymphema leukaemia.

Single Payments

Mr. Meacher asked the Secretary of State for Social Services how many single payments were awarded by appeal tribunals in 1981, 1982, 1983 and 1984, respectively; and what was the average payment.

Mr. Whitney: The number of appeals relating to claims for single payments is as follows:

Great Britain

Year	*Number of appeals heard*	*Number of successful appeals*
1981	21,453	4,879
1982	26,269	5,723
1983	29,691	7,036
*†1984	8,706	2,068

* 1 January 1984 to 31 March 1984.

†*As a result of recent industrial action within the Department annual statistics for 1984 are not yet available.

Information regarding the average amount of single payments awarded by appeal tribunals is not available.

Mr. Meacher asked the Secretary of State for Social Services what was the average length of time taken to dispose of appeals for single payments in 1981, 1982, 1983 and 1984, respectively.

Mr. Whitney: Separate information on appeals for single payments is not available. The average length of time from lodgement of an appeal to initial hearing for all supplementary benefit appeals heard in Great Britain is as follows:

	Weeks
1981	6·8
1982	8·5
1983	9·4
*1984	10·5

* As a result of recent industrial action within the Department this figure is only for the first quarter.

Mr. Meacher asked the Secretary of State for Social Services what was the cost of administering appeals relating to single payments taking one week and each additional week to the maximum time taken to settle appeals in 1981, 1982, 1983 and 1984, respectively.

Mr. Whitney: This information is not available. A costing exercise last year estimated that £10·855 million was spent on supplementary benefit appeals work in 1983; this sum includes the cost of work on the 82,212 appeals lodged but resolved without a tribunal hearing, as well as the 60,567 appeals actually heard.

Mr. Meacher asked the Secretary of State for Social Services how many single payments were made for maternity needs and for a new baby's needs in each year from 1981 to 1984; what is the average level of payment; and what is the average combined level of payment to each claimant.

Mr. Whitney: The information requested on the maternity needs of new born or recently adopted children is:

	**No. of single payments (to nearest thousand)*	*Average level of payment*
1981	61,000	£43·35
1982	101,000	£53·61
1983	142,000	£59·91

* Figures are from the Annual Statistical Enquiry and relate to single payments made during the 12 months preceding the date of the enquiry to persons still in receipt of supplementary benefit at the time of the enquiry, and do not, therefore, record all the single payments made during the year.

Payments to the mother to meet her own maternity needs for clothing and footwear are made under regulation 27 of the Supplementary Benefits (Single Payment) Regulations. That regulation also covers payments for clothing and footwear made for other reasons and no separate figures are available for the mothers' own maternity needs.

St. George's Hospital

Mr. Meacher asked the Secretary of State for Social Services what steps he is taking to seek to ensure that the former St. George's hospital, Hyde Park Corner, does not fall into further disrepair.

Mr. Kenneth Clarke: Temporary remedial work has been carried out following damage caused partly by the bad weather earlier this year. We will keep the need for further work under review and seek to ensure that this historic building does not deteriorate further. Twenty-four hour security is being maintained to combat possible vandalism.

I am glad to say that lawyers are well advanced with work to bring to contract an agreement I have reached with the Grosvenor estate for the sale of our Department's interest in the site, following which I understand that the estate will be in a position to give effect to its plans to redevelop the site, including restoration of the Wilkins building.

Social Fund

Mr. Dobson asked the Secretary of State for Social Services how the proposed social fund will cater for the needs of the terminally ill; and whether help from the proposed social fund will be by way of grant or only by loan.

Mr. Newton: We shall consider the range of circumstances where a payment might be made from the social fund to income support recipients to promote commmunity care, including cases where someone is terminally ill. Normally community care payments would be given as grants.

East Cumbria (Health Authority)

Mr. Ron Lewis asked the Secretary of State for Social Services if he will list the members of the East Cumbria area health authority; by whom they are nominated; and what is the period of their term of office.

Mr. Kenneth Clarke: We do not hold this information centrally. The responsibility for appointing members of East Cumbria health authority lies with Northern regional

health authority and the appropriate local authorities. The hon. Member may therefore wish to obtain the information from the chairman of the regional health authority.

Mr. Ron Lewis asked the Secretary of State for Social Services what correspondence he has had with the East Cumbria area health authority regarding the privatising of domestic services in the hospitals in the area.

Mr. Kenneth Clarke: East Cumbria health authority has received our circular on competitive tendering for domestic, catering and laundry services together with other related general communications. We have not corresponded with this health authority individually on this subject.

Drug Addiction

Mrs. Beckett asked the Secretary of State for Social Services what recent report he has received about the increase in drug addiction in the east midlands; whether he intends to make available additional funds to increase the number of beds in the unit to treat addiction in the east midlands; whether he will also provide funds to provide additional units elsewhere than Nottingham, and to increase facilities in addition for after-care and for family support; and if he will make a statement.

Mr. John Patten: Information from health authorities covering the east midlands has been published in "Drug Misuse: Prevalence and Service Provision" (DHSS, June 1985), a copy of which is in the Library. It is for health authorities, in consultation with other service providers, to determine the level of provision for the treatment and follow up of drug misusers in their areas. Health authorities were invited to submit applications for central funding where they considered increased provision for drug misusers was necessary and central funding has recently enabled the Mapperley unit in Nottingham to open an outpatient and community centre. The Mapperley unit provides a specialist service for six districts. Applications under the initiative for funding of a counselling service in south Derbyshire and a community drug team in Leicestershire are being considered.

Child Abuse

Mr. Peter Bruinvels asked the Secretary of State for Social Services if he proposes to issue a consultative paper setting out new guidelines on the role of local authorities in detecting and handling child abuse cases; and if he will make a statement.

Mr. John Patten: [*pursuant to his reply*, 3 July 1985]: I have today placed in the Library copies of a consultative paper which outlined the follow-up action to be taken where serious child abuse has occurred. Such cases are very distressing for all those concerned with the care of the child. A great deal of care is and must be taken by people who face the conflicting demands of the need for children to be with their parents and the need to protect some children from the minority of parents who may harm them.

All cases that do occur must be thoroughly investigated. The most immediate need is for management locally quickly to review its services to the family and the paper suggests joint action between the authorities concerned. This should not be delayed until any criminal proceedings are concluded. Follow-up action is equally important to assess the wider implications coming out of the review. We expect the authorities involved to inform the public of the outcome of this action. Subsequently, authorities will be able to describe to the court, if necessary, the action they have taken in terms both of inquiries and of changes to procedures and services.

In most instances, further inquiries will then be unnecessary. There will, however, be a few cases where the authorities consider a further review, involving people from outside their areas, would be appropriate.

The paper describes the arrangements which might be appropriate for such independent inquiries and suggests that, where the initial reviews have been properly carried out and the outcome published, the subsequent inquiries would normally be in private, although public inquiries are not ruled out. Whichever course is chosen, a report of the inquiry should be published.

Comments on the consultative paper are invited by November 1985.

SCOTLAND

Labour Statistics

Mr. Dalyell asked the Secretary of State for Scotland if he will make a statement on the level of increase in unemployment in the Bathgate travel-to-work area and his talks on this matter with West Lothian district council.

Mr. Allan Stewart: Between 10 May 1984 and 9 May 1985 the number of unemployed claimants in the Bathgate travel-to-work area increased by 341 (from 9,727 to 10,068). No talks on this subject have taken place between Ministers and West Lothian district council, but good progress is being made in implementing the recommendations in the Bathgate working party report.

Mr. McQuarrie asked the Secretary of State for Scotland what is the percentage number of people under the age of 23 years who are out of work in the employment area of Banff and Buchan.

Mr. Allan Stewart: The information is not available in the precise form requested. However, information on unemployed claimants in the local authority district of Banff and Buchan is available in the Library by the age categories of under 18, age 18, age 19 and age 20 to 24.

Mr. McQuarrie asked the Secretary of State for Scotland how many men, women and young persons were in *(a)* full-time and *(b)* part-time employment in the Banff and Buchan employment area in 1979 and in each succeeding year, with the latest available figures for the current year.

Mr. Allan Stewart: In the Banff and Buchan employment area, the estimated numbers of *(a)* full-time employees were 20,200 in 1978 and 19,900 in 1981 and *(b)* part-time employees were 5,200 in 1978 and 4,700 in 1981. The information is not available for the other years requested.

Mr. Dewar asked the Secretary of State for Scotland if he will publish figures for the number of part-time employees in Scotland by sex and sector in each of the last five years.

Mr. Younger: I shall reply to the hon. Member as soon as possible.

Mr. Dewar asked the Secretary of State for Scotland (1) how many *(a)* men and *(b)* women under the age of 21

years are unemployed in Scotland now; and how many were unemployed in each of the last five years for which records are available;

(2) how many *(a)* men and *(b)* women under the age of 24 years are unemployed in Scotland now; and how many were unemployed in each of the last five years for which records are available.

Mr. Younger: Information on unemployment in Scotland is available in the Library for recent years by sex for the age categories under 18, aged 18, aged 19 and aged 20 to 24. However, it is difficult to make a comparison with periods before 1982 because of the change in the basis of the count in October 1982 from registrants to claimants.

Mr. Dewar asked the Secretary of State for Scotland how many people in Scotland were in employment on 1 June; and how many of these were, respectively, *(a)* male and *(b)* female.

Mr. Younger: The seasonally adjusted number of employees in employment in Scotland at December 1984 is estimated to have been 1,935,000; of these, 1,054,000 were male and 881,000 were female. Estimates for later dates are not available.

Mr. Gordon Brown asked the Secretary of State for Scotland how many new entrants to the labour force there have been in each year since 1974; how many new entrants he estimates there will be in the current year and in each year until 1990; and if he will express the new Scottish entrants as a proportion of all entrants to the work force in Great Britain.

Mr. Allan Stewart: I shall reply to the hon. Member as soon as possible.

Agriculture Industry

Mr. McQuarrie asked the Secretary of State for Scotland whether he will make it his policy that in the future allocation of research and development funds to the agriculture industry, the basic research programmes are related to the needs of the industry and consumers; and if he will make a statement.

Mr. John MacKay: Our policy is, and will continue to be, directed towards meeting the needs of the industry and consumers.

Scottish Tourist Board

Mr. Michael Forsyth asked the Secretary of State for Scotland which items are included under the heading of other trading expenditure in the Scottish Tourist Board's accounts; by how much such expenditure under this heading has increased in the last year; what is the reason for the increase; and if he will make a statement.

Mr. John MacKay: Included under this heading are charges and commissions relating to the "Holiday Scotland" scheme. The associated revenue is shown under "other trading income". In addition, this heading includes charges for promotion and publications. In total the expenditure under this heading has increased year on year by £170,000. 1983-84 was the first year of the scheme and for 1984-85 the scheme was expanded and developed to realise its full potential. This is demonstrated by the fact that holidays taken through the scheme in 1984-85 were some 60 per cent. up on the previous year.

Mr. Michael Forsyth asked the Secretary of State for Scotland by how much expenditure by the Scottish Tourist Board on hospitality and travel has increased over the last year; for what reasons; and if he will make a statement.

Mr. John MacKay: The figures published in the Scottish Tourist Board's accounts for 1984-85 show that expenditure by the board on hospitality and travel has increased by £57,000 over 1983-84. The board incurred additional travel costs in exercising the new power granted in the Tourism (Overseas Promotion) (Scotland) Act 1984; in undertaking increased marketing activity in the United Kingdom; and in co-ordinating the network of area tourist boards.

Mr. Michael Forsyth asked the Secretary of State for Scotland by how much the grant-in-aid to the Scottish Tourist Board has increased for 1985-86; what are the reasons for the increase; what criteria he used in determining the precise amount of the increase; and if he will make a statement.

Mr. John MacKay: Grant-in-aid to the Scottish Tourist Board is likely to increase in 1985-86 by some £205,000 over 1984-85. This increase is related to the board's needs. In determining the level of grant-in-aid to the board my right hon. Friend has regard to the net cost of the activities proposed by the board in its annual budget estimates and to the pattern of past expenditure by the board. He also has regard to the competing funding requirements of other programmes within his responsibility.

Mr. Michael Forsyth asked the Secretary of State for Scotland to what extent in determining the level of grant-in-aid for the Scottish Tourist Board he takes account of any surplus or deficit on its expenditure for the previous year; and if he will make a statement.

Mr. John MacKay: Significant deficits of grant-in-aid should not occur. Evidence of any surplus of grant-in-aid made available to the Scottish Tourist Board would form one of the factors which my right hon. Friend would take into account in determining the level of the board's grant-in-aid for the following year. I refer my hon. Friend to my earlier answer to him today.

Mr. Michael Forsyth asked the Secretary of State for Scotland what was the size of the surplus on the Scottish Tourist Board's accounts for 1984-85; and if he will make a statement.

Mr. John MacKay: The Scottish Tourist Board accounts on an accruals basis rather than a cash basis. Within that definition, the operating surplus on the board's accounts for 1984-85 is £39,000. This does not represent free cash funds in the hands of the board but has been deployed in financing movements in fixed and current assets after taking account of movements in liabilities. The total grant-in-aid for 1984-85 has been applied by the board in financing its activities.

Banff and Buchan (Youth Training)

Mr. McQuarrie asked the Secretary of State for Scotland how many young persons are at present engaged in youth training schemes in the Banff and Buchan employment area, on the last available figures for the current year.

Mr. Allan Stewart: The information is not available in the precise form requested. However, on 30 June, the latest date for which information is available, there were 405 young persons participating in the youth training scheme in the jobcentre areas of Banff, Fraserburgh and Peterhead, with a planned provision of 998 places for 1985-86 for the same areas.

Job Creation

Mr. McQuarrie asked the Secretary of State for Scotland what steps have been taken to reduce the level of unemployment in the Banff and Buchan employment area; and if he will make a statement.

Mr. Allan Stewart: I refer my hon. Friend to my reply to his question of 26 March, at column *81*.

The Government's economic strategy, designed to keep inflation down and provide the conditions in which enterprise can flourish and industry can be competitive, forms the general framework within which more jobs can be created in Banff and Buchan as in the rest of the country. Also, the Government's full range of special employment and training measures continues to be available to people in the Banff and Buchan areas.

Mr. Gordon Brown asked the Secretary of State for Scotland how many new jobs he estimates have been created in Scotland in 1983 and 1984 by *(a)* incoming firms, *(b)* Scottish-based firms and *(c)* new companies.

Mr. Allan Stewart: Comprehensive information on jobs created is not available. In the years 1983 and 1984 respectively, 11,134 and 14,212 new jobs were associated with offers of selective financial assistance under section 7 of the Industrial Development Act 1982 for projects in Scotland. Of these totals 5,127 and 7,962 were associated with offers to overseas-owned companies.

Agricultural Research and Development

Mr. McQuarrie asked the Secretary of State for Scotland what progress has been made with the review of the organisation and funding of agricultural research and development and advisory services in Scotland.

Mr. MacKay: Comments on the consultation paper "A Strategy for Agricultural Research and Development" prepared by the Department of Agriculture and Fisheries for Scotland are currently being received and considered. A further consultation paper on the advisory services will be issued at a later date.

Dental Services

Lord James Douglas-Hamilton asked the Secretary of State for Scotland what is the number of community dental officers per head of population in *(a)* the Lothian health board area, *(b)* the Glasgow health board area and *(c)* the Tayside health board area.

Mr. John MacKay: The whole-time equivalent number of community dental officers per head of population in each of the areas at 30 September 1984 is shown as follows:

Health Board	*(Community Dental Officers) Whole-time equivalent per head of population*
Lothian	1:12,347
Greater Glasgow	1:19,349
Tayside	1:15,968

Lord James Douglas-Hamilton asked the Secretary of State for Scotland what is the number of hospital dentists per head of population in *(a)* the Lothian health board area, *(b)* the Glasgow health board area and *(c)* the Tayside health board area.

Mr. John MacKay: The whole-time equivalent number of hospital dentists per head of population in each of the areas at 30 September 1984 is as follows:

Health Board	*Hospital Dentists**
Lothian	1:15072
Greater Glasgow	1:11138
Tayside	1:8843

* Whole-time equivalents per head of population.

Lord James Douglas-Hamilton asked the Secretary of State for Scotland what is the number of dental therapists in the community dental service per head of population in *(a)* the Lothian health board area, *(b)* the Glasgow health board area and *(c)* the Tayside health board area.

Mr. John MacKay: The whole-time equivalent number of dental therapists in the community dental service per head of population in each of the areas at 30 September 1984 is as follows:

Health Board	*Dental Therapists**
Lothian	1:57717
Greater Glasgow	1:244764
Tayside	Nil

* Whole-time equivalent per head of population.

Lord James Douglas-Hamilton asked the Secretary of State for Scotland what is the number of dental hygienists in *(a)* the Lothian health board area, *(b)* the Glasgow health board area and *(c)* the Tayside health board area.

Mr. John MacKay: The whole-time equivalent number of dental hygienists in each of the areas at 30 September 1984 is as follows:

Health Board	*Dental Hygienists**
Lothian	12·4
Greater Glasgow	5·3
Tayside	5·0

* Whole-time equivalent.

Licensing Laws

Dr. Godman asked the Secretary of State for Scotland if he has made a calculation of the effect on public expenditure as a whole of more liberal licensing laws.

Mr. Ancram: I have no reason to believe that the more liberal licensing laws introduced by the Licensing (Scotland) Act 1976 have had any significant effect on public expenditure.

Broadleaved Woodlands

Mr. Ron Davies asked the Secretary of State for Scotland what proposals the Forestry Commission has for further meetings with the Nature Conservancy Council and the countryside commissions to discuss the management guidelines for broadleaved woodlands outlined in the broadleaves in Britain review.

Mr. John MacKay: A further meeting has been arranged for 26 July.

Mr. Ron Davies asked the Secretary of State for Scotland how many staff the Forestry Commission will be training in the appreciation of wildlife and landscape conservation in broadleaved woodlands in 1985-86 and 1986-87; how many man-days are proposed; what is the estimated cost of this training; and what assistance the Forestry Commission will be seeking from the Nature Conservancy Council and countryside commissions in respect of this training.

Mr. John MacKay: The need for such training will vary from one area to another and plans will be drawn up as a result of the local discussions to be held under the auspices of the Forestry Commission once the new broadleaves policy is launched. The necessary resources, which cannot be quantified at present, will be devoted to this task through a reallocation of training priorities. The Nature Conservancy Council and the countryside commissions will be involved in the training as appropriate.

Dog Licences

Mr. Wilson asked the Secretary of State for Scotland what income was received from dog licences in Scotland in 1984-85; what was the cost of collection in that year; how many licences were issued; and if he has considered the introduction of a replacement scheme of licensing designed to recover the administrative costs.

Mr. Ancram: Final figures for 1984-85 are not yet available. The estimated income received from dog licences in Scotland was £65,625 and the cost of collection was £249,550. This is based on an estimate of 175,000 licences.

The Government are considering the responses to their consultation paper on the future arrangeements for dog licensing in Great Britain. The result of this consideration will be announced as soon as possible.

Electronics Industry

Mr. Dewar asked the Secretary of State for Scotland (1) how many companies in Scotland are operating in the electronic manufacturing sector and how many in the research and development and software sectors; and what information he has as to how many of the electronic manufacturing firms also maintain research and development units in Scotland;

(2) if he will publish a table showing the components of charge such as openings, expansions, contractions and closures, in terms of male and female employment and number of units in the electronic sector since 1979 *(a)* for Scotland as a whole and *(b)* for each of the Scottish regions.

Mr. Younger: I shall reply to the hon. Member as soon as possible.

Mr. Dewar asked the Secretary of State for Scotland how many men and women, respectively, were employed in part-time positions in the electronics sector in Scotland in 1979 and in each subsequent year for which records are available.

Mr. Younger: The estimated numbers of employees in part-time employment in the electronics industry in Scotland were 100 males and 1,900 females in 1978 and 200 males and 1,300 females in 1981. Estimates for the other years requested are not available.

North Sea Oil and Gas

Mr. Dewar asked the Secretary of State for Scotland how many people are currently employed in the Scottish oil sector and in subsidiary sectors operating in Scotland; and what were the figures in each of the last five years for which records are available.

Mr. Younger: Total employment in firms in Scotland identified by the Manpower Services Commission as being wholly related to North sea oil and gas activity is estimated to have been 60,983 in December 1984. This is the most recent estimate available. The estimates for June of the years 1979 to 1984 are:

June	*Thousands*	*June*	*Thousands*
1979	41·8	1982	58·3
1980	46·3	1983	63·3
1981	49·6	1984	64·0

Youth Training Scheme

Mr. Dewar asked the Secretary of State for Scotland what percentage of youth training scheme trainees in Scotland in 1984-85 gained full-time jobs on completion of their training.

Mr. Younger: Precise information on the number of youth training scheme trainees subsequently taking up employment is not available. However, the results from the Manpower Services Commission's sample survey of 15 per cent. of young people who left the scheme between July and September 1984 suggest that some 55 per cent. of leavers in Scotland were in full-time employment some three months after leaving the scheme. That survey indicates a further 1 per cent. were in part-time employment, another 5 per cent. entered full-time education or training courses and a further 4 per cent. joined a different youth training scheme. The full results of the sample survey are available in the Library.

Regional Development Grant

Mr. Dewar asked the Secretary of State for Scotland what was the average cost per job created by regional development grants in Scotland in each of the last 10 years for which records are available.

Mr. Younger: Before the commencement of the new scheme in November last year such grants were not linked

to jobs. 269 offers of regional development grant under the new scheme totalling £13·5 million in grant have been made in Scotland since 29 November 1984. The number of new jobs promised by these offers was 4,056.

Wages

Mr. Dewar asked the Secretary of State for Scotland what was the average annual wage of *(a)* full-time and part-time female manual workers in Scotland in 1979 and in each subsequent year for which records are available.

Mr. Younger: The estimates of average weekly earnings of female manual workers in Scotland for April of each year from 1979 to 1984 were published for full-time employees in table 13 of part A of the "New Earnings Survey" reports and for part-time employees in table 180 of part F of the "New Earnings Survey" reports. These volumes have been placed in the Library.

Mr. Gordon Brown asked the Secretary of State for Scotland if he will publish *(a)* a table showing the proportion of full-time employees in Scotland, who, in the "New Earnings Survey 1984", are paid less than £50, £60, £70, £80, £90, £100 and £110 per week, respectively, when overtime earnings are included and *(b)* a table showing the proportion of full-time employees in the same area who are paid less than £100 and £110 when overtime earnings are excluded, for all males and females and sub-divided into manual and non-manual males and females.

Mr. Allan Stewart: The information requested for full-time employees on adult rates whose pay was not affected by absence is set out in the table.

	Percentage with weekly earnings less than:						
	£50	*£60*	*£70*	*£80*	*£90*	*£100*	*£110*
Including overtime earnings							
manual males	0·2	0·7	1·5	4·1	8·2	14·7	22·9
non-manual males	0·1	0·3	0·8	2·4	4·8	7·8	10·8
all males	0·2	0·5	1·2	3·4	6·8	11·7	17·7
manual females	1·4	8·6	21·7	37·1	54·7	69·5	81·9
non-manual females	0·8	2·3	7·1	18·6	30·7	42·8	53·1
all females	1·0	3·9	10·8	23·3	36·8	49·6	60·4
manual adults	0·5	2·1	5·3	10·3	16·9	24·9	34·0
non-manual adults	0·4	1·2	3·8	10·0	17·0	24·3	30·8
all adults	0·5	1·7	4·5	10·2	17·0	24·6	32·2
Excluding overtime earnings							
manual males	—	—	—	—	—	23·2	36·0
non-manual males	—	—	—	—	—	8·7	12·2
all males	—	—	—	—	—	17·0	25·8
manual females	—	—	—	—	—	75·4	87·5
non-manual females	—	—	—	—	—	43·8	54·7
all females	—	—	—	—	—	51·8	63·0
manual adults	—	—	—	—	—	32·9	45·7
non-manual adults	—	—	—	—	—	25·3	32·3
all adults	—	—	—	—	—	28·8	38·5

Emigration

Mr. Gordon Brown asked the Secretary of State for Scotland what is his latest figure for the numbers who have emigrated from Scotland since 1979; and if he will estimate the numbers who emigrated from Scotland in 1984, or the most recent year for which figures are available.

Mr. John MacKay: The estimates, covering 1 July to 30 June in each case, are as follows:

Estimated net emigration from Scotland

	thousands
1979-80	16·3
1980-81	23·1
1981-82	14·9
1982-83	17·8
1983-84	9·1

Mr. Gordon Brown asked the Secretary of State for Scotland how many people he estimates will emigrate from Scotland in the current year and during the next five-year period.

Mr. John MacKay: Retrospective estimates of migration are made when certain data are available, and the estimate for the year to 30 June 1985 has not yet been prepared. Annual estimates of migration for future years are not prepared, but the most recent (1983 based) population projection, designed to illustrate possible levels of population in the longer term future, assumed a net migration loss of 15,000 per annum.

THE ARTS

Export Licences

Mr. Faulds asked the Parliamentary Under-Secretary of State answering in respect of the Arts whether he will list the items for which the issuing of export licences was withheld on the recommendations of the reviewing committee on the export of works of art during the half year ended 30 June, specifying in each case the valuation and whether an item was eventually exported or retained, with particulars in the latter event of the acquiring institutions; and whether he will list any items for which licences have been withheld but the final disposal of which is not decided, specifying in each case *(a)* the valuation and *(b)* the relevant time limit.

Mr. Waldegrave: Details are given in the table. Valuations have been omitted in two cases because of the owners' wishes that these should remain confidential

Description	Valuation £	Outcome
A drawing by Rembrandt "A view on the Amstel"	668,160	Licence suspended for four months. Purchased by the British Museum.
A drawing by Rubens "A man threshing beside a wagon"	779,520	Licence suspended for three months. Exported.
A drawing by Raphael "St. Paul rending his garments"	1,556,800	Licence suspended for four months. Exported.
A drawing by Raphael "Study for the Disputa"	670,000	Licence suspended for four months. Exported.
18th Century travelling canteen of Charles Edward Stuart	125,000	Licence suspended for three months. Purchased by The National Museum of Antiquities of Scotland.
A drawing by Raphael "Study of a man's head and a hand"	3,603,600	Licence suspended for six months, subject to review. Exported after two months.
Lippi et al Drawings on a page of Vasari's "Libro de Disegni"	3,276,000	Licence suspended for six months, subject to review. Exported after two months.
Drawing attributed to Titian: "Extensive landscape with a nude woman"	414,960	Licence suspended for three months. Exported.
A drawing by Rubens "Three groups of Apostles in a Last Supper"	622,720	Licence suspended for three months. Exported.
A drawing by Rembrandt "Two Thatched Cottages"	365,440	Licence suspended for three months. Exported.
A drawing by Rembrandt "The Bulwark 'De Rose' and the Windmill 'De Smeerpot'"	522,640	Licence suspended for three months. Exported.
A drawing by Rembrandt "A farmstead by a stream"	393,120	Licence suspended for three months. Exported.
A drawing by Rembrandt "A sailing boat"	458,640	Licence suspended for three months. Exported.
A drawing by Van Dyck "Study for the entombment"	262,080	Licence suspended for three months. Exported.
The Farnley Book of Bird Studies by J. M. W. Turner	233,000	Licence suspended for four months. Purchased by Leeds City Art Gallery.
Michael Sweerts "The Plague at Athens"	1,145,038	Licence suspended for three months. Exported.
Four stereoscopic Daguerrotypes by Antoine Claude	12,000	Licence suspended for two months. Purchased by the Science Museum.
A drawing by Rembrandt "A view of Houtewaal"	436,800	Licence suspended for two months. Exported.
A Viking Sword in excavated condition	2,113	Licence suspended for three months. Purchased by Somerset County Museum.
A long case year going clock by Henry Hindley	10,750	Licence suspended for three months. Purchased by York City Museum.
A head figure of Meleager (also described as Actaeon with a hound)	14,000	Licence suspended for three months. Purchased by The Victoria and Albert Museum.
Bronze statue of Mercury by Alessandro Vittoria	—	Licence suspended for three months. Exported.
Beilby glass enamelled commemorative bowl	28,000	Licence suspended for three months. Purchased by Laing Art Gallery.
A Mock Charter Manuscript Composed by Queen Elizabeth I 1591	29,166	Licence suspended for three months. Exported.
Two Sèvres milk pails made for Marie Antoinette	143,000 172,000	Licences suspended for three months each until 12 September 1985.
Design for Woburn Abbey library ceiling by William Chambers	15,000	Licence suspended for three months until 28 August 1985.
Mahogany Cabinet by Mackmurdo	25,000	Licence suspsended for two months until 28 July 1985
A painting by Mantegna "Adoration of the Magi"	8,247,500	Licence suspended for six months, until 12 December 1985, but subject to review after three months.
Bust of Lord Chesterfield by Roubiliac	—	Licence suspended for four months until 12 October 1985.

Allocation

Mr. Faulds asked the Parliamentary Under-Secretary of State answering in respect of the Arts whether he will specify the allocations made to public institutions in the United Kingdom during the half year ended 30 June of individual works of art and museum objects pre-eminent for national, scientific, historic or artistic interest which have been accepted in satisfaction of capital transfer tax, together with information, where applicable, as to the conditions or wishes expressed in the matter of allocation by testators or executors; and whether he will list the works of art and museum objects which are still awaiting allocation with the respective dates of their acceptance in satisfaction of capital transfer tax.

Mr. Waldegrave: The information requested is as follows:

Item	To whom allocated
1. *Items allocated since 1 January 1985*	
Calke Abbey (house, contents, land)*	National Trust
Bonheaur du Jour by Martin Carlin	Bowes Museum
Geoffrey Keynes collection*	Fitzwilliam Museum
	National Portrait Gallery
	British Museum
Collection of photographs associated with Lord Curzon (1859-1925)	The British Library
2. *Items awaiting allocation*	*Date of acceptance*
Bust of Lord Somers by Le Marchand	31 January 1985
Seneca epistles	24 October 1984

* This offer carried a condition regarding its allocation which was honoured.

NATIONAL FINANCE

Industrial Production

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report* a table showing for each year since 1970 the annual increase in productivity of *(a)* the whole economy less oil and gas and production industries and *(b)* manufacturing industry.

Mr. Peter Rees: The available information is as follows:

Output Per Person Employed

	*Whole economy less production industries**	*Manufacturing industries*
	Percentage change since previous year	
1971	na	2·2
1972	1·9	5·7
1973	0·5	8·7
1974	−1·5	−1·5
1975	−1·7	−2·6
1976	1·3	5·3
1977	1·8	1·6
1978	2·6	0·9
1979	0·4	0·5
1980	−1·7	−3·9
1981	0·4	3·4
1982	2·6	6·3
1983	2·1	7·4
1984	1·1	4·8

na=not available
* Production industries are defined as Divisions 1 to 4 of the 1980 Standard Industrial Classification and include oil and gas industries.

Football Pools

Mr. Holt asked the Chancellor of the Exchequer what was the revenue income from fixed odds football pools in each of the five years from 1960 to 1965 and 1980 to 1985.

Mr. Hayhoe: Fixed odds football pool betting was exempt from duty until 3 August 1964. Revenue in 1964-65 was £3·9 million. From 1980 to 1985 receipts were as follows:

Year	*£ thousand*
1980-81	36
1981-82	27
1982-83	6
1983-84	negligible
1984-85	negligible

Trustee Savings Bank Bill

Mr. Michael Brown asked the Chancellor of the Exchequer if he will make a statement on the Trustee Savings Bank Bill.

Mr. Ian Stewart: Yes. I asked Sir John Read, the chairman of the Trustee Savings Banks Central Board, to consider the implications of the amendments made at Report Stage in another place on 16 April and to respond to them. I am pleased to say that the TSBs have agreed to make a number of significant changes to their plans to take account of comments which have been made in the other place and elsewhere. Sir John Read has set out these further commitments in a letter to my right hon. Friend which is reproduced below. For their part, the Government will propose appropriate consequential amendments, as necessary, to the Bill.

The Treasury will not exercise its power to initiate the reorganisation provided for in the Bill by making an order appointing the vesting day until it is satisfied that the TSBs have taken the appropriate steps to implement the undertakings which they have given in Sir John Read's letters of 6 December 1984 (reproduced in the White Paper) and 16 May 1985 (reproduced below).

16 May 1985

Rt. Hon. Nigel Lawson, M.P.
Chancellor of the Exchequer,
H.M. Treasury,
Parliament Street,
London, SW1P 3AG.

Dear Chancellor,

1. Since I wrote to you on 6 December 1984, there have been a number of developments in the TSB Group's preparations for the reorganisation and we have agreed to make some changes to our plans in the light of views expressed in Parliament, especially in the House of Lords debate on Report on 16 April 1985. I thought therefore that I should write to you again to put some further points on the record.

TSB Scotland

2. As you know, the Trustee Savings Banks Central Board and the Trustees of Trustee Savings Bank Scotland are unanimously of the view that TSB Scotland can, should and will continue to function as an independently managed Scottish bank within the Group. We are convinced that the future of TSB Scotland will be better assured as a member of the Group than as an entirely separate company without access to the common facilities and resources of the Group. However, we recognise that the fears which have been expressed on this point reflect genuine concerns felt in Scotland.

3. We are therefore glad that the Government has agreed to amend the Bill so as to put it beyond doubt that the four banking companies to which the Bill refers shall be registered, and so have their registered offices, in the territory in which they operate, i.e. England and Wales, Scotland, Northern Ireland and the Channel Islands respectively. We understand that the concept of "head office", as opposed to "unregistered office", is not defined in statute; but we undertake that the head office of each of these banks will remain in the country in which it is registered. Once the business of the existing TSBs has been vested in these banking companies, a private Act of Parliament would in practice be required before the separate identity of any of these banks could be removed. Indeed, the need for a private Act will offer a new safeguard to regional and national interests, because under the present system in the Trustee Savings Banks Act 1981 TSBs have power to merge simply by the resolution of three-quarters of the Trustees without any kind of Parliamentary or indeed Government approval.

4. In addition, we are happy to give the assurance that, as appropriate, the articles of association of the new Group holding company and of the successor banking companies within the Group will provide for the following points:—

(i) The Annual General Meeting of TSB Group plc shall be held in Scotland and the registered office of the company shall be based there;

(ii) Each banking company shall have its own board of directors, with a minimum of ten and a maximum of fourteen. The initial boards will be drawn substantially from trustees of the present banks. Thereafter, with the exception of those members referred to in paragraph (iii) below, each board will appoint its own members, subject to the approval of the parent board. The articles will not provide for the parent board to appoint members of the individual banks' boards. Provision will be made for 75 per cent. of the board members to be normally resident in the country or territory of the bank;

(iii) Two members of the Board of each UK banking company shall be appointed by the governors of the TSB charitable foundation for its country or territory, subject to the approval of the bank board but not of the Group board. These two members will be expected to ensure that the interests of the country or territory concerned are fully represented in the board's deliberations;

(iv) The directors of each banking company will be under a responsibility to take into account not only the interests of its shareholders but also the interests of customers and staff, the

bank's responsibilities under the Banking Act 1979 and the interests of the country or territory in which the bank is established;

(v) The Chairman of each bank board shall be appointed to the Group board. In addition, the Chief Executive of TSB England and Wales and the Chief Executive of TSB Scotland shall be appointed to the Group board;

(vi) The agreements to be entered into between TSB Group plc and each banking company providing that TSB Group plc will refrain from acting to reduce the net worth of the banking companies and setting out dividend policy in relation to them, shall not be changed without the agreement of two-thirds of the directors of the bank concerned.

5. We confirm that Trustee Savings Bank Scotland plc and Trustee Saving Bank Northern Ireland plc will apply to the Bank of England for separate recognition as banks under the Banking Act 1979. The business of TSB England and Wales will be vested in the present Central Trustee Savings Bank Limited which will change its name to Trustee Savings Bank England and Wales plc. As Central Trustee Savings Bank Limited is already a recognised bank, it will not be necessary for it formally to apply in its new name for recognition. We confirm that it will seek to maintain that status. It will of course follow that the board of each bank will be separately responsible for the direction of its banking business and, like all other banks in the UK, will be supervised by the Bank of England. Trustee Savings Bank Channel Islands Limited will apply for authorisation in the Channel Islands under local legislation.

TSB Charitable Foundations

6. I confirmed in my letter of 6 December 1984 that the TSB Group intended to proceed with the endowment of certain charitable foundations. These proposals have also been the subject of debate in Parliament. We are pleased that, in the light of those debates, you have agreed that the Government will propose an amendment providing for the TSB Central Board to arrange the establishment of charitable foundations and the vesting in them of shares in TSB Group plc. We undertake that the Central Board will establish a charitable foundation for each of England and Wales, Scotland, Northern Ireland and the Channel Islands. The Board will ensure that five per cent. of the share capital in TSB Group plc is distributed among these four foundations in proportion to the accumulated reserves of each of the existing TSBs.

7. These charitable foundations will enhance the TSBs' traditional role in contributing to the life of the community by assisting local needs of many different kinds. The foundations will therefore benefit the communities from which the TSBs have in the past drawn their customers. Clearly, the approach which the charities adopt will change from time to time as local needs and circumstances alter.

8. We have felt it appropriate that the foundations should hold "A" ordinary shares in TSB Group plc which entitle them to vote only on matters affecting their own interests. However, we now undertake that (as mentioned at paragraph 4(iii) above) each foundation (except in the case of the Channel Islands) will in addition be given a special share in the banking subsidiary operating in the same country or territory which will entitle it to appoint two directors to the bank board who will be expected to ensure that the interests of the country or territory concerned are represented in the board's deliberations.

Share Issue

9. Finally, I stated in my letter of 6 December 1984 that we plan to bring about the issue of shares to the public in a way which will achieve wide ownership of the new TSB Group among our customers and staff. We have undertaken to give customers and staff priority over a substantial tranche of shares. I can now add that in relation to the balance of shares we will seek to attract as many small investors as possible, whether or not they are at present customers of the TSB Group. For this purpose we are preparing a major communication programme to promote the widest possible ownership of TSB Group plc. We have set ourselves a target of over one million shareholders.

Yours sincerely,
Sir John Read
Chairman

Business Expansion Scheme

Mr. Dewar asked the Chancellor of the Exchequer how many companies in Scotland benefited from assistance under the business expansion scheme in the last year for which records are available; and what proportion of *(a)* the total number of United Kingdom firms assisted and *(b)* the total United Kingdom payments made under the scheme were in Scotland.

Mr. Moore: I shall let the hon. Member have a reply as soon as possible.

FOREIGN AND COMMONWEALTH AFFAIRS

South Africa (Nuclear Weapons)

Mr. Cabom asked the Secretary of State for Foreign and Commonwealth Affairs what is Her Majesty's Government's most recent assessment of whether South Africa has acquired a nuclear weapons capability.

Mr. Luce: We have no conclusive evidence that South Africa has acquired a nuclear weapons capability.

South African Broadcasting Corporation

Mr. Dobson asked the Secretary of State for Foreign and Commonwealth Affairs how many visits have been made to the British Broadcasting Corporation's external services in the last five years by personnel from the South African Broadcasting Corporation.

Mr. Renton: This is a matter for the management of the BBC external services. However, I understand that the BBC external services estimates that about 20 visits have been made to it in the last five years by personnel from the South African Broadcasting Corporation.

Mr. Dobson asked the Secretary of State for Foreign and Commonwealth Affairs what training the British Broadcasting Corporation external service has provided for South African Broadcasting Corporation staff in the last five years.

Mr. Renton: This is a matter for the management of the BBC external services. However, I understand that BBC external services has not provided any training for South African Broadcasting Corporation staff in the last five years.

OVERSEAS DEVELOPMENT

Aid

Mr. Fallon asked the Secretary of State for Foreign and Commonwealth Affairs whether he will list the multilateral and bilateral aid commitments, including aid trade provision equivalent, of the United Kingdom for the last five convenient years; and whether he has comparable information for France, West Germany, Japan and the United States.

Mr. Raison: Commitments of multilateral and bilateral net official development assistance (ODA) for the years 1979-83 for the United Kingdom and the other donors are as follows.

Commitments of aid trade provision funds from within the aid programme for the years 1979 to 1983 were as follows:

	£ million
1979	50·2
1980	23·2
1981	30·6
1982	117·2
1983	26·1

These ATP funds are normally used in association with ECGD guaranteed export credits in order to finance the British content of contracts in developing countries.

The ways in which aid funds are used in order to achieve similar objectives to the aid trade provision differ substantially between donors. Statistics which identify separately financial packages provided by other donors and which are equivalent to the air trade provision are reported to the OECD Secretariat, and provided on a confidential basis to all OECD members, as part of the agreed effort to achieve transparency and greater discipline in this area. The statistics are not published.

Net Official Development Assistance (ODA) Commitments
US $ million (Equivalent Sterling figures in brackets)

	Total ODA	Bi-lateral	Multi-lateral
1979			
United Kingdom	2,479	1,965	515
	(1,168)	(926)	(243)
France	4,493	3,745	748
	(2,118)	(1,765)	(353)
FRG	5,204	4,015	1,189
	(2,453)	(1,892)	(560)
Japan	3,674	2,528	1,146
	(1,732)	(1,191)	(540)
USA	7,179	5,185	1,993
	(3,383)	(2,444)	(939)
1980			
United Kingdom	2,449	1,459	990
	(1,053)	(627)	(426)
France	5,527	4,766	806
	(2,395)	(2,049)	(346)
FRG	6,278	4,667	1,611
	(2,699)	(2,006)	(693)
Japan	4,435	3,369	1,066
	(1,907)	(1,448)	(458)
USA	6,464	5,378	1,086
	(2,779)	(2,312)	(467)
1981			
United Kingdom	1,954	1,000	954
	(964)	(493)	(470)
France	5,150	4,431	719
	(2,539)	(2,185)	(355)
FRG	4,649	3,467	1,182
	(2,292)	(1,710)	(583)
Japan	4,524	3,437	1,087
	(2,231)	(1,695)	(536)
USA	7,201	5,135	2,066
	(3,551)	2,532)	(1,019)
1982			
United Kingdom	2,008	1,112	896
	(1,147)	(635)	(512)
France	5,142	4,358	785
	(2,938)	(2,490)	(448)
FRG	3,701	2,713	988
	(2,114)	(1,550)	(564)
Japan	4,398	3,622	775
	(2,513)	(2,069)	(443)
USA	8,232	6,112	2,120
	(4,703)	(3,492)	(1,211)
1983			
United Kingdom	1,627	927	701
	(1,073)	(611)	(462)
France	5,102	4,380	722
	(3,363)	(2,887)	(476)
FRG	3,234	2,271	963
	(2,132)	(1,497)	(635)
Japan	5,386	3,843	1,903
	(3,550)	(2,296)	(1,254)
USA	9,482	6,989	2,493
	(6,251)	(4,607)	(1,643)

Source:
OECD 1983 and 1984 Review: Development Cooperation: Efforts and Policies of the Members of the Development Assistance Committee.

Tsetse Fly

Dr. David Clark asked the Secretary of State for Foreign and Commonwealth Affairs what advice he has received on the ecological effect of the European Economic plans to participate in the scheme to eradicate tsetse fly from parts of central Africa.

Mr. Raison: Advice was received from my scientific staff and the tsetse research laboratory. This was based on a five-year study by the Tropical Development and Research Institute into the effects of aerial spraying of the chosen insecticide. We were concerned to ensure that the chemical control methods proposed would not cause damage to the environment, and for the same reason insisted on the need for strict planning of the use of land to be freed from infestation.

Dr. David Clark asked the Secretary of State for Foreign and Commonwealth Affairs what is the policy of Her Majesty's Government towards the European Economic Community proposals to support the project to eradicate tsetse fly in parts of central Africa.

Mr. Raison: The Government supported a proposal which was approved in April 1985 to provide 19·15 million ecu (£11 million) from the European development fund for phase 1 of a tsetse and trypanosomiasis control programme in Zambia and Zimbabwe. Later phases, if approved, will include neighbouring states. Strict planning of the use of the land to be cleared of tsetse flies will be essential to avoid damage to the environment.

Dr. David Clark asked the Secretary of State for Foreign and Commonwealth Affairs which pesticides are being supplied from the United Kingdom for use in the European Economic Community scheme to eradicate tsetse fly in central Africa.

Mr. Raison: British pesticide companies will supply synthetic pyrethroids for trials in the research component of the project. Most of the chemicals, however, will be purchased after an international invitation to tender in accordance with the procedures of the Lomé convention. No organo-chlorines will be used in the project. Endosulphan is to be used for aerial spraying and pyrethroid deltamethrin for fly traps.

EMPLOYMENT

Accident Rates

Mr. Alton asked the Secretary of State for Employment what are the latest figures for the accident rate *(a)* on the youth training scheme and *(b)* on all forms of work.

Mr. Peter Bottomley: The following table sets out the annual incidence rate for 1984-85 per 100,000 trainees on the youth training scheme, separately for fatal, major and minor accidents, calculated on the basis of the average number of trainees in training.

Period *	Average number in training	Accidents			Annual incidence rate per 100,000 trainees		
		Fatalities	Major Injuries ‡	Minor Injuries	Fatalities	Major Injuries	Minor Injuries
1 April-31 March 1984	282,408	4	184	1,748	1·4	65·2	619·0

Notes

* The manpower Services Commission's accident figures for the youth training scheme are compiled on a similar basis to those prepared by the Health and Safety Executive on employed persons. However, the Commission's figures will include a number of accidents, in particular road traffic accidents during scheme time and accidents to trainees in educational establishments, which may not have been reportable to the Health and Safety Executive had the individuals been employed.

‡ Major injuries are classified according to the severity criteria laid down in the Notification of Accidents and Dangerous Occurences Regulations 1980.

‡ During the period 1 January to 31 March 1985, one further fatality involving a youngster on the youth training scheme was notified to the Manpower Services Commission. Investigations to determine the exact causes of the incident and whether it would be reportable to the Health and Safety Executive had the youngster been employed are being carried out by the local enforcing authorities.

The provisional incidence rate for 1984 for occupational deaths and major injuries to employees reportable to health and safety enforcing authorities is 60·9 per 100,000 employees. An incidence rate relating to minor injuries is not available.

There are difficulties in making direct comparisons between accident figures for the youth training scheme and statistics published by the Health and Safety Executive for the employed population generally. For example, the age mix is very different (the Health and Safety Executive does not publish separate accident figures for the 16-18 age group), and, in addition, the industry mix and time spent at the workplace may also differ.

Sports Grounds (Safety)

Mr. Pawsey asked the Secretary of State for Employment whether the Health and Safety Executive has been consulted about proposals to improve safety at sports grounds.

Mr. Peter Bottomley: The Health and Safety Executive may be consulted on proposals or see evidence from Government Departments; matters primarily concerning crowd control and public order are however outside the Executive's immediate field of responsibility.

Employee Consultation

Mr. Ashdown asked the Secretary of State for Employment how many companies have been studied by his Department with reference to the requirement under section 1 of the Employment Act 1982 to provide, in annual reports, information about what they have done to consult their employees; and what percentage of these have conformed with those requirements.

Mr. Peter Bottomley: I refer the hon. Member to my reply to my hon. Friend the Member for Lincoln (Mr. Carlisle) on 10 June at column *362*.

Racial Discrimination

Mr. Dubs asked the Secretary of State for Employment if he has any proposals to seek to reduce racial discrimination in employment.

Mr. Alan Clark: The Government are firmly committed to the elimination of all unlawful discrimination and to the promotion of equal opportunities in employment for all workers regardless of race. The Commission for Racial Equality's code of practice gives practical guidance on how to achieve these ends and the Department's race relations employment advisers are giving priority to advising employers and trade unions on the implications of the code.

The Manpower Services Commission seeks to ensure equal access for people of different races to all its public employment and training services and also supports language training to improve the employment prospects of members of ethnic minorities.

In addition, the Department is playing a full part in implementing the Government's policy of ensuring equal opportunity in the Civil Service for people from the ethnic minorities, both at the recruitment stage and in their subsequent careers.

The reduction and elimination of racial discrimination in employment requires not only action by Government but also the support of employers, trade unions and the community in general.

Health and Safety Inspection

Mr. Corbyn asked the Secretary of State for Employment if he will state for each year from 1974 to the most recent available date, both nationally and for the Greater London council area *(a)* the total number of health and safety executive inspectors, as now defined, *(b)* the total number of workplaces they had to inspect, *(c)* the total number of workplaces they actually inspected, *(d)* the total number of prosecutions undertaken by the Health and Safety Executive and *(e)* the total number of accidents and incidents visited.

Mr. Peter Bottomley: The information is not available in the form requested. The total number of Health and Safety Executive inspectors, and of factory inspectors in the area offices within the Greater London Council area from 1977 when these area offices were set up are set out in the following table. The other Health and Safety Executive inspectorates do not have any field staff in the London area.

Year	Numbers in post at 1 June: Inspectors in HSE (including those in headquarters)	Factory inspectors in HSE Areas 5 and 6 (Covering Greater London)
1977	1,384	85*
1978	1,413	78*
1979	1,425	90*
1980	1,443	80*
1981	1,380	87
1982	1,320	77
1983	1,272	75
1984	1,236	70
1985	1,259	74

* Including some specialist inspectors subsequently relocated outside London while continuing to operate in London as well as surrounding areas.

The remainder of the information requested is unavailable or could only be obtained at disproportionate cost.

Labour Statistics

Mr. Ralph Howell asked the Secretary of State for Employment how many persons are currently claiming unemployment benefit: how many of them are registered at *(a)* jobcentres and *(b)* careers offices; and what these figures represent as percentages of the overall unemployment figures.

Mr. Alan Clark: On 13 June 1985 there were 3,057,190 unemployed claimants in Great Britain. On 11 April 1985, the latest date for which a figure is available, there were 163,690 unemployed persons registered at careers offices. On 7 June 1985 there were 499,252 persons registered at jobcentres. This latter figure may include a number of people seeking a change of employment and others who are not claiming unemployment benefit. Taking these two factors into account, giving an answer in percentage terms would deprive the answer of any real meaning.

Mr. Gordon Brown asked the Secretary of State for Employment if he will publish his latest estimate of the numbers *(a)* who leave youth training schemes before the completion of training, and for which reason and *(b)* who, on completion of youth training schemes, find employment; and if he will publish a table showing the proportion of entrants who find employment.

Mr. Peter Bottomley: The following table shows the number and proportion of young people who left the youth training scheme between July and September 1984 before the completion of training:

1984	Number in training at month end (000's)	Number of early leavers in month (000's)	Early leavers as percentage of in training total
July	283·2	5·4	2
August	292·0	7·0	2
September	310·5	7·4	2

The Manpower Services Commission conducts a regular monthly survey of leavers from the scheme. Questionnaires are sent to a 15 per cent. sample of all leavers some three months after they leave the scheme. Results are placed in the Library. The latest analysis of reasons given by young people for leaving the scheme early relates to those who left between July and September 1984 and is as follows (the total comes to more than 100 per cent. because some young people gave more than one reason):

	Percentage of early leavers
Scheme had finished	2
Got a full-time job	49
Got a part-time job	3
Joined another YTS scheme	9
Ill	4
Scheme not providing training needed	13
Not happy on scheme	23
Pay was too low	19
Some other reason	22

The same survey shows that 62 per cent. of young people who completed training during the period July-September 1984 found employment.

Information is not available on the proportion of entrants who find employment. However, the survey referred to shows that some 60 per cent. of young people leaving the scheme between July and September 1984 (the peak leaving period) went into employment.

DEFENCE

Exercise Brave Defender

Mr. Skinner asked the Secretary of State for Defence whether local authority police committees will be notified in addition to the chief constables in the areas where Exercise Brave Defender is to take place.

Mr. Lee: This will be a matter for the chief constables concerned to decide.

Armed Forces (Retirement Statistics)

Mr. Jackson asked the Secretary of State for Defence if he will publish in the *Official Report* tables showing the total numbers of officers and men of each rank-equivalent who retired during the periods *(a)* 1 April 1977 to 31 March 1978 and *(b)* 1 April 1983 to 31 March 1984, indicating the numbers of those (i) receiving a reduced pension because of premature retirement, (ii) who commuted a part of their pension and (iii) who have since died, distinguishing between those who have surviving widows and those who do not, and giving the total pension cost for the year 1984-85 in respect of those who retired during each of the specified periods.

Mr. Lee: The number of those who retired from whatever cause in the periods 1 April 1977 to 31 March 1978 and 1 April 1983 to 31 March 1984 and who were in receipt of pension on 31 March 1984 is as follows:

	1977-78		1983-84	
Rank*	Male	Female	Male	Female
Lt. General and above	22	—	8	—
Maj. General	47	—	26	—
Brigadier	67	1	75	2
Colonel	109	4	168	4
Lt. Colonel	408	2	432	7
Major	857	15	868	29
Captain and below	544	1	376	8
Warrant Officer I	1,040	5	824	7
Warrant Officer II	601	3	697	7
Staff Sergeant	2,518	10	2,030	9
Sergeant	1,681	8	1,563	10
Corporal	1,034	3	658	5

	1977-78		1983-84	
*Rank**	*Male*	*Female*	*Male*	*Female*
Lance Corporal and below	681	3	338	4

* Including equivalent ranks in the RN and RAF.

Note:

Certain pensions associated with disability are borne on DHSS votes and are not included in the above table.

Answers to the specific questions at (i) to (iii) could only be provided at disproportionate cost.

Royalties

Mr. Favell asked the Secretary of State for Defence what discussions his Department has had with GEC Avionics about potential royalties to Her Majesty's Government in respect of supply of its airborne early warning system for Lockheed's Hercules C130 transport planes.

Mr. Lee: A basic agreement exists with the Company about charges for any commercial exploitation of their work on AEW but no detailed discussions have yet taken place specifically related to the possible C130 application.

Foreign Service Men (Training)

Mr. Corbyn asked the Secretary of State for Defence what was the total income received from providing training for service men from overseas armed forces for each of the last three years for which figures are available; and, of this, how much is attributable to training Chilean service men.

Mr. Lee: The total estimated charges for training foreign and commonwealth personnel in the United Kingdom for each of the last three financial years are as follows:

	£ million
1984-85	32
1983-84	31·6
1982-83	22·8

Contained within these figures are elements which are not direct training charges but which are related to foreign and commonwealth training (for example, messing and accommodation).

It is not our practice to reveal details of training provided for individual countries since this information is confidential between Her Majesty's Government and the Government concerned.

Written Answers to Questions

Friday 5 July 1985

WALES

Wrexham (Job Creation)

Dr. Marek asked the Secretary of State for Wales what measures he proposes to take to stimulate employment opportunities in the Wrexham area in the light of the decision by Dunlop to close down its plant at Wrexham.

Mr. John Stradling Thomas: We will take this closure, with the loss of some 100 jobs, fully into account when considering the local authorities' detailed proposals for the allocation of planned resources, including those for the Clwyd area announced by my right hon. Friend the Secretary of State on 27 June.

FOREIGN AND COMMONWEALTH AFFAIRS

Soviet Union (Baltic States)

Mr. Waller asked the Secretary of State for Foreign and Commonwealth Affairs what action is currently taken by Her Majesty's ambassador in Moscow in acknowledgement of the fact that Her Majesty's Government do not recognise the incorporation of the Baltic states into the Soviet Union de jure.

Mr. Rifkind: Her Majesty's ambassador in Moscow avoids any contact with the authorities in the Baltic states which could be taken to imply de jure recognition. The Soviet Government has been made aware of our position on a number of occasions.

Compensation

Sir John Biggs-Davison asked the Secretary of State for Foreign and Commonwealth Affairs whether he has claimed compensation from the Soviet Union for the British lives lost when the Soviet military authorities shot down Korean Air Lines flight 007 on 1 September 1983.

Mr. Renton: Yes. Fourteen persons entitled to our protection were killed then and a national claim for compensation of £2 million was handed to the Soviet Embassy on 3 July.

TRADE AND INDUSTRY

Exports

Mr. Austin Mitchell asked the Secretary of State for Trade and Industry whether he will publish in the *Official Report* a table comparing the increase in the profitability of exports with the increase in relative export prices and relative unit labour costs, together with an explanation of the transmission mechanism from costs to prices and profits over the relevant period.

Mr. Fletcher: Figures on actual profitability are not available. An index of relative profitability, together with the other indices, is in the table. The actual profitability of exports will depend on the relationship between prices and costs, the largest element of which is the cost of labour.

United Kingdom Exports of Manufactures
Profitability and Labour Costs *1980 = 100*

Year	Relative profitability of exports*	Relative export prices†	Relative unit labour costs‡
1970	103·4	80·9	70·8
1971	98·8	82·6	72·9
1972	98·4	82·7	71·1
1973	101·3	76·1	63·1
1974	101·3	74·6	63·1
1975	103·5	77·9	69·1
1976	104·7	75·5	63·3
1977	106·4	79·7	62·3
1978	106·5	84·5	68·0
1979	102·5	90·4	81·1
1980	100·0	100·0	100·0
1981	100·5	98·1	100·4
1982	102·4	92·7	94·5
1983	106·2	90·1	86·2
1984	108·7	88·3	85·1

* United Kingdom export unit value compared with index of United Kingdom producer output prices.
† United Kingdom export unit value compared with weighted average of competitor countries' unit value indices, all in a common currency.
‡ United Kingdom labour costs per unit of output compared with weighted average of competitor countries' labour costs, all in a common currency.
Sources: Department of Trade and Industry and IMF.

Asbestos

Mr. Cohen asked the Secretary of State for Trade and Industry if he will make a statement about his discussions with the textured ceiling and wall coatings industry about the elimination of asbetos from their products; and when such elimination is expected.

Mr. Fletcher: In November last year my Department asked the trade to eliminate asbestos from their produtcts as soon as possible. The brand leader stated that they had already done so and most of the other manufacturers reported that they had done so or were about to do so.

Mr. Cohen asked the Secretary of State for Trade and Industry what publicity arrangements are being undertaken to warn of the hazard involved in stripping textured ceiling and wall coatings which contain asbestos; and if he will make a statement.

Mr. Fletcher: Commercially textured ceiling and wall coverings containing asbestos may only be removed by contractors licensed by the Health and Safety Executive: such contractors must know the precautions to be taken. My right hon. Friend the Secretary of State for the Environment has published a comprehensive booklet "Asbestos Materials in Buildings" which states that textured paint containing asbestos should never be sanded down, and that if it must be removed it should be thoroughly wetted in order to soften it and damp down any dust, and then scraped off. In addition, he has published a leaflet "Asbestos in housing" for mass circulation which advises householders not to rub down textured paint containing asbestos and that asbestos materials in good condition can be painted to prevent dust from escaping.

but that they should consult their environmental health department about removing large amounts of asbestos materials.

Company Liquidations

Mr. Hancock asked the Secretary of State for Trade and Industry what was the number of company liquidations *(a)* between 1974 and 1979 and *(b)* from 1980 until the latest available date.

Mr. Fletcher: The number of company liquidations in England and Wales was:

1974 to 1979 inclusive	30,511
1980 to May 1985 inclusive	61,190

Source: British business.

Water Reed

Mr. Speller asked the Secretary of State for Trade and Industry what representations he has received from producers of water reed about the effects on the thatching industry of the growth of equivalent subsidised imports; and if he will make a statement.

Mr. Fletcher: My right hon. Friend the Minister for Trade has received one letter from the hon. Member for North Devon. We have received no evidence that the imported thatching reed is subsidised. Supplies of cheaper (and apparently good quality) reed appear to be in the interests of British thatchers and their customers.

Shipbuilding (Intervention Fund)

Mr. Malone asked the Secretary of State for Trade and Industry whether he has concluded negotiations with the European Commission on a new intervention fund regime for shipbuilding.

Mr. Norman Lamont: Yes. The new arrangements, which apply to orders taken from July 1984 and last until December 1986, permit an increased rate of up to 20½ per cent. intervention fund plus 2 per cent. shipbuilders relief. For vessels over 70,000 dead weight tonnes built in Northern Ireland, the maximum may be increased to 25½ per cent. plus 2 per cent. shipbuilders relief. The Commission has indicated also that it will be prepared to consider payments above these levels on a case by case basis particularly for orders where there is no EC competition.

I believe these new, more generous arrangements provide a satisfactory basis for the industry until the end of next year. The United Kingdom industry must use the opportunity offered by these measures to continue to improve its competitive position, so that in the future it may survive with steadily reducing levels of assistance.

Intervention fund assistance is essentially intended as a temporary aid to merchant shipbuilding and it is provided only for contracts taken on a non-profit basis. Aid of this kind will thus not normally be appropriate for, nor provided to, yards which have been or are to be privatised by British shipbuilders. The Commission has, however, agreed to consider any case where exceptionally, for reasons related to the maintenance of defence capacity, intervention fund support might be given.

ENVIRONMENT

Wild Birds (Habitat Protection)

Dr. Cunningham asked the Secretary of State for the Environment what response has been provided to the European Commission in reply to its letter dated 10 September 1984 concerning the protection of Duich Moss (Islay), a site of international importance for wild birds; and if he will reproduce in the *Official Report* the letter from the European Commission dated 10 September 1984 on this subject.

Mr. Patrick Jenkin: The following is the text of the letter of 10 September 1984 received from the European Commission:

"The Royal Society for the Protection of Birds has filed a complaint against the British Government alleging non-observance of requirements of the directive on the conservation of wild birds (79 409 EEC) with respect to the protection of an important bird area on the Scottish Island of Islay.

The area concerned is described on the information sheet enclosed. It is also listed in the report of the Commission entitled: 'Apercu des zones de grant interet pour la conservation des oiseaux sauvages'.

Considering that the area is clearly of Community importance for bird preservation, may I ask your Government to take the necessary steps to protect the area in accordance with the provisions of article 4 paragraph 4 of the directive 79 409 EEC and to add this area to the UK list of special protection areas.

I would be most grateful for an early reply."

The reply of 1 July was as follows:

"DIRECTIVE 79 409

I must regret the delay in replying to a series of letters from Mr. Andreopoulos about the application of the wild birds directive to an area of the Scottish island if Islay. You reminded us of this correspondence in a telex of 21 May to Sir Michael Butler.

You will be pleased to hear that the area of Islay in question, Duich Moss, was designated as a site of special scientific interest on 19 July 1984 under the Wildlife and Countryside Act 1981. This is an essential first step before Duich Moss can be considered for designation as a special protection area under article 4 of the directive. The necessary consultations to prepare for this designation are beginning in September.

Meanwhile the whole of the site of which Duich Moss is a part, which extends to some 1,419 acres, is receiving the protection appropriate to its status as a site of special scientific interest. The effect of this protection is to impose certain restrictions on particularly operations which would, in the opinion of the nature conservancy council, be detrimental to the scientific interests of the site.

However, these protective provisions do not preclude the carrying out on the land of any operation which has been authorised by the granting of planning permission, with any attendant conditions. Such permission has been given by the Secretary of State for Scotland for the digging of peat from an area of some 150 acres within the site of special scientific interest, the first phase being confined to an area of 44 acres. The background to the decision is set out in an annex to this letter. You will see that the strict conditions which have been set for the planning permission are designed to minimise disturbances to the Greenland white-fronted geese which roost on Duich Moss over the winter, and to ensure that the general nature conservation interest of the Moss is not adversely affected."

Local Government Finance

Dr. Cunningham asked the Secretary of State for the Environment if he will list those items of expenditure for which a disregard has been requested under section 8(4) of the Local Government Finance Act 1982 in respect of 1985-86 expenditure.

Mr. Patrick Jenkin: I shall write to the hon. Member.

Environment Minister

Dr. David Clark asked the Secretary of State for the Environment if he will make a statement on the meeting of European Community Environment Ministers on 27 June.

Mr. Waldegrave: I refer the hon. Member to my answer of 3 July to the hon. Member for Renfrew West and Inverclyde (Mrs. McCurley).

Retail Developments

Mr. Butterfill asked the Secretary of State for the Environment what is his present policy in relation to planning applications for large new retail developments; whether that policy has recently changed; and if he will make a statement.

Mr. Patrick Jenkin: After considering the representations that I have received on this subject, I have concluded that it is not necessary to add more detailed advice to that given in development control policy note 13 ("Large New Stores") and in the memorandum on structure and local plans published last year. It is important, however, to stress the point made explicitly in the existing guidance that it is not the function of the planning system to inhibit competition among retailers or among methods of retailing, nor to preserve existing commercial interests as such; it must take into account the benefits to the public which flow from new developments in the distributive and retailing fields. The public needs a wide range of shopping facilities and benefits from competition between them. Local planning authorities must take full account of these various needs, both in framing structure and local plans and in dealing with applications for new shopping developments of all types.

Since commercial competition as such is not a land-use planning consideration, the possible effects of a proposed major retail development on existing retailers is not in this sense a relevant factor in deciding planning applications and appeals. It will be necessary, however, to take account in exceptional circumstances of the cumulative effects of other recent and proposed large scale retail developments in the locality, and to consider whether they are on such a scale and of a kind that they could seriously affect the vitality and viability of a nearby town centre as a whole —for example, whether they seem likely to result in a significant increase in vacant properties, or a marked reduction in the range of services the town centre provides, such as could lead to its general physical deterioration and to the detriment of its future place in the economic and social life of the community. Town centres need to maintain their diversity and activity if they are to retain their vitality, but the range and variety of shops and services will change, as they have always done, in response to changing conditions.

I and my inspectors will decide planning appeals in the light of these general principles and of the extent to which they are adequately dealt with in development plans, and in relation to the land-use planning and traffic considerations raised by individual cases.

As at 1 January 1985 there were 260 hypermarkets and superstores built and opened in England and Wales compared with 125 in January 1979 and only 26 in 1973. Planning permission has been given for 67 more. These figures show that the planning system can facilitate the development of these new types of retailing, for which there is a clear public demand.

Stockbridge Village Trust

Mr. Brandon-Bravo asked the Secretary of State for the Environment what inquiries have been made by the Minister for Housing and Construction following the undertaking which he gave to the House during the debate on 1 July, *Official Report*, c. 67, concerning Stockbridge Village Trust; and what is the result of those inquiries.

Mr. Gow: I have made inquiries into the circumstances of the industrial dispute referred to by the hon. Member for Bootle (Mr. Roberts) and of the company involved, JGM Building Services Ltd. I understand that the sequence of events was as follows:

—on 18 February 1985 all of those employed directly by JGM Building Services Ltd. at Stockbridge Village withdrew their labour. I understand that the reason for this action was that six men employed on a planned maintenance contract that was drawing to a close had been served with notices of redundancy by the same employer. Six men working on the same contract were retained for other work.

—Several meetings between management and UCATT failed to resolve the dispute and Mr. Michael Carter, Chief Executive of Stockbridge Village, agreed to chair a meeting between the two sides, although the trust was not involved in the dispute.

—The meeting was held on 26 April 1985, and reached agreement on the basis for a settlement. The key elements were: that all those who were on strike would be taken back including those who had received redundancy notices; that four labour-only subcontractors employed by the company would be offered direct employment, and, that if they refused, they would be replaced by direct employees; and that there would be more flexible working arrangements between day-to-day maintenance and planned maintenance work.

—The men resumed work on 7 May.

—On 13 June the trust received a telephone call from JGM's bankers asking for urgent payment of monies owned to the company. The trust agreed to pay, on the basis of certified accounts available that day, for works completed satisfactorily on day-to-day maintenance. A payment of £19,000 was made on 14 June 1985. No money was paid at that time in respect of planned maintenance contracts, which are financed, in part, with the aid grant.

—On 18 June the trust was notified that JGM Building Services Ltd. would be going into voluntary liquidation.

I can make no comment on the allegations of intimidation and threats of violence. If these have validity they are a matter for the police. The four labour-only subcontractors are in possession of 714 certificates. Mr. Tom Baron, the chairman of the Stockbridge Village Trust, has no financial interest in the village and he was not involved in any way in this industrial dispute.

Football Spectator Violence

Mr. Roger King asked the Secretary of State for the Environment whether he will make a statement on the outcome of the recent meeting of European Ministers responsible for sport to discuss football spectator violence.

Mr. Macfarlane: I represented the United Kingdom at an informal meeting of Ministers responsible for sport convened on Thursday 27 June by the Secretary-General of the Council of Europe. We agreed on a European convention on violence and misbehaviour at sports events, and in particular at football matches, and invited the committee of Ministers to adopt and open for signature the convention at the earliest opportunity with a view to its coming in force in time for the next round of European

football matches. We also requested all governments entitled to do so to become parties to the convention as soon as possible.

I hope that the convention will be adopted and opened for signature by the committee of Ministers later this month. A copy of the authenticated version of the convention will be placed in the Library of the House as soon as it is available. When in force, contracting parties will be obliged to:

co-ordinate the policies and actions of their government departments and other public agencies against spectator violence and misbehaviour;

ensure that adequate public order resources are employed to counter outbreaks of violence and misbehaviour, near and inside grounds, and also along transit route used by spectators; and facilitate co-operation and exchange of information between police forces of different localities;

seek to ensure that offenders (especially visiting supporters) are identified and prosecuted and that they receive appropriate penalties;

introduce procedures to identify problem matches in advance, and for effective co-operation between authorities and clubs on precautions and measures to be taken;

encourage the co-ordination of travel arrangements to inhibit potential troublemakers from leaving to attend matches;

encourage the use of stewards and supporters' clubs for crowd control and information;

press football and local authorities, stadium owners and clubs to take the necessary practical measures for problem matches, eg in the design, improvement and selection of stadia, segregation, alcohol control, ticket sales and the exclusion of drunks and troublemakers;

encourage football authorities to review their regulations continuously;

looking further ahead, take social and educational measures to promote the more positive side of sport, eg fair play and active participation;

establish a standing committee to police the operation of the convention and propose improvements.

We also agreed to propose to the Union of European Football Associations (UEFA) that they should introduce binding requirements, both for the use of stadia and the organisation of matches held under their auspices having regard to the provisions of the proposed convention. An official working group of the Council of Europe is to hold discussions with UEFA to prepare a draft memorandum of understanding which would give effect to these proposals. The group will report back as soon as possible to a future meeting of European sports Ministers.

PRIME MINISTER

Endangered Species

Mr. Chris Smith asked the Prime Minister, pursuant to her answer of 28 June, *Official Report*, column 501, about the proceedings of the committee on international trade in endangered species regulations, whether the United Kingdom has questioned or made representations about the reasons for the rules of procedure of the committee requiring confidentiality; and if she will make a statement.

The Prime Minister: The proceedings of European Community committees of this nature are normally confidential (in the same way that proceedings of meetings of officials within the United Kingdom would be so regarded). There is no reason to make an exception for this committee.

EC (Agricultural Spending Limits)

Mr. Teddy Taylor asked the Prime Minister (1) pursuant to her statement of 2 July, of the proposals she submitted to the Milan summit would permit individual member states to use a veto to prevent the Council of Ministers from agreeing to exceed agricultural spending limits established in accordance with the budgetary controls agreed at the Fontainebleau summit:

(2) pursuant to her statement of 2 July, of the proposals she submitted to the Milan summit would permit individual member states to use a veto to prevent the Council of Ministers from agreeing agricultural spending budgets which exceed increases in the own resources of the Community.

The Prime Minister: The text on institutional questions which I tabled at the Milan European Council did not propose any change to the council conclusions of 4 December on budgetary discipline nor did it alter the United Kingdom view that, when a member state considers its very important interests to be at stake, discussion should continue until unanimous agreement is reached.

Northern Africa (Food Aid)

Mr. Teddy Taylor asked the Prime Minister what is the latest figure for the proportion of the 1·2 million tons of EEC food aid allocated for the drought suffering countries of Northern Africa at the Dublin summit which has actually been delivered; and what amount has been delivered to each country.

The Prime Minister: The European Council on 28-29 June noted that two thirds of the 1·2 million tonnes of grain pledged at the Dublin Council had been delivered or was on its way. This includes deliveries to Mozambique and Angola. The latest available figures for deliveries by the Community to each of the worst affected countries of the Sahel and east Africa are those given by my right hon. Friend, the Minister for Overseas Development to my hon. Friend, the member for Hereford and Stortford (Mr. Wells) on 6 June at column *198-99*. In addition, the following deliveries were reported by member states from their share of the Dublin plan between January and May:

Tonnes of cereals or cereals equivalent

	Tonnes
Ethiopia	68,500
Sudan	59,500
Chad	28,000
Mali	12,000
Mauritania	6,200
Niger	29,000
Burkina Faso	n a

A further co-ordination meeting will be held on 8 July in Brussels, when we expect to receive more up-to-date figures.

Law Lords

Mr. Kilroy-Silk: asked the Prime Minister when she intends to announce the names of those who will replace the Law Lords who are due to retire in 1986, namely: the right hon. Lord Scarman, the right hon. Lord Roskill and the right hon. Lord Brightman.

The Prime Minister: An announcement will be made in due course.

HOME DEPARTMENT

Political Asylum

Mr. Hunter asked the Secretary of State for the Home Department (1) how many foreign nationals have applied for political asylum in the United Kingdom in each year since 1979;

(2) how many foreign nationals have been granted political asylum in the United Kingdom in each year since 1979.

Mr. Waddington: The number of applications for asylum received (from all nationalities) and granted from 1979 to 1984 are as follows:

	Applied for	*Granted*
1979	1,563	525
1980	2,352	1,147
1981	2,425	1,473
1982	4,223	1,727
1983	4,296	1,185
1984	3,478	584

Notes:

(i) These figures do not include those admitted under the Indo-Chinese refugee programme.

(ii) Applications are not necessarily decided in the same year as they are received.

(iii) Following the computerisation of refugee statistics the figures for 1979 to 1983 have been recalculated and differ from those previously published. Detailed statistics for 1984 and revised figures for earlier years will shortly be placed in the Library.

(iv) The figures of those granted asylum do not include those given exceptional leave to enter or remain.

Women (Protection)

Mr. Chris Smith asked the Secretary of State for the Home Department if he will indicate what plans the Commissioner of Police of the Metropolis has to seek to ensure the safety of women on the streets, especially in inner London areas.

Mr. Giles Shaw: The Commissioner of Police of the Metropolis attaches great importance to reducing the incidence and fear of street crime. He has made it a priority to increase the number of officers on the beat; and he has also encouraged officers to use public transport, both on and off duty, to provide protection and reassurance for the travelling public. These measures are aimed at the protection of the community as a whole, but should be of particular benefit to women. At the local level, it is the responsibility of district commanders to respond to particular concerns about the safety of women and to deploy resources accordingly.

Embarkation Information

Mr. Proctor asked the Secretary of State for the Home Department (1) why information concerning the embarkation of visitors from the United Kingdom is not available; and if he will make a statement;

(2) if he will take steps to ensure that information is kept on the embarkation of visitors from the United Kingdom; and if he will make a statement;

(3) if he will undertake a study of the application of new technology on the collation of statistics on embarkations of visitors from the United Kingdom; and if he will make a statement.

Mr. Waddington: Comprehensive statistical information on the embarkation of visitors is not available because the cost of its production would greatly outweigh its usefulness. We have no plans to produce such information. The present arrangement, which represents a more effective use of resources, is to record on entry on the current computer system those whose embarkation is likely to need to be checked.

Possible further uses of new technology in the immigration control, including the production of statistics, are being examined as part of the computing strategy of the Immigration and Nationality Department.

Civil Defence

Mr. Strang asked the Secretary of State for the Home Department if he will state for each of the financial years from 1980-81 to 1987-88, the actual or projected figures for *(a)* total civil defence expenditure from his Department's budget and *(b)* expenditure on grants-in-aid to local authorities for civil defence purposes.

Mr. Giles Shaw: I shall reply as soon as possible.

Police Officers

Mr. Dobson asked the Secretary of State for the Home Department for each year since 1979 what was the number of police officers in England and Wales who, respectively, were reduced in rank, had their rate of pay reduced, were fined, were reprimanded or were cautioned.

Mr. Giles Shaw: The following information is available from records in the Home Office. A separate table for the Metropolitan police has been prepared because the information for that force is notified in different form:

(1) ENGLAND AND WALES (EXCLUDING THE METROPOLITAN POLICE)

	1979	*1980*	*1981*	*1982*	*1983*	*1984*
(a) Disciplinary offences other than criminal conduct						
Reduction in rank	18	22	16	22	16	18
Reduction in pay	18	22	22	21	19	21
Fine	283	262	280	316	194	220
Reprimand	120	108	106	104	92	103
Caution	46	58	56	56	44	30

	1979	1980	1981	1982	1983	1984
(b) Criminal conduct						
Reduction in rank	4	4	1	2	4	3
Reprimand or caution	66	64	92	77	110	81

Note:
The punishment of a reduction in the accused's rate of pay or of a fine cannot be imposed for the offence of criminal conduct. If an officer has been dealt with for criminal conduct and another disciplinary offence, he will be recorded in both tables.

(2) METROPOLITAN POLICE

	1979	1980	1981	1982	1983	1984
Disciplinary offences (including criminal conduct)						
Reduction in rank	9	9	3	7	9	8
Reduction in pay	15	18	8	9	17	14
Fined	56	58	70	51	71	72
Reprimand	49	53	47	48	89	49
Caution	9	7	18	14	17	8

DEFENCE

Low Frequency Communications

Mr. Andrew F. Bennett asked the Secretary of State for Defence pursuant to the answer of 24 June *Official Report*, column *289*, if he will indicate the year by year expenditure to date on extra low frequency communications systems and the projected year to year future expenditure; and if he will make a statement.

Mr. Butler: It is not our practice to make available details of year by year expenditure on equipment projects. However, total expenditure to date is approximately £350K.

Departmental Staff

Mrs. Rumbold asked the Secretary of State for Defence what manpower reductions his Department has achieved in 1984-85.

Mr. Butler: During the period 1 April 1984 to 31 March 1985, civilian staff numbers in the Ministry of Defence reduced by 7,108 to a total of 174,075. This excludes 18,967 staff of the Royal ordnance factories who were transferred out of the Civil Service on 2 January 1985 with the formation of Royal Ordnance plc.

Exercise Brave Defender

Mr. D. E. Thomas asked the Secretary of State for Defence if the list of key points to be defended as part of Exercise Brave Defender has been completed; and if he will make a statement.

Mr. Lee: I have nothing to add to the reply given by my right hon. Friend the Minister of State for the Armed Forces to the hon. Member for Newham, North-West (Mr. Banks) on 28 June 1985 at columns *516-17*.

EDUCATION AND SCIENCE

Labour Statistics

Mrs. Rumbold asked the Secretary of State for Education and Science what manpower reductions his Department has achieved in 1984-85.

Sir Keith Joseph: Between 1 April 1984 and 1 April 1985 the number of staff in the Department increased by 48, well within the agreed manpower ceilings which rose from 2,402 at 1 April 1984 to 2,472 at 1 April 1985. The 1985 ceiling allowed for an expansion of Her Majesty's inspectorate to support the Government's policies to raise standards in education.

Drug Misuse

Mr. Rathbone asked the Secretary of State for Education and Science if he will list the range of materials for drug misuse education which his Department proposes to fund for production through the Health Education Council and other bodies, indicating the reason for each item and the quantities in which each will be produced.

Mr. Dunn: Work on this project has started but is, as yet, in its early stages. The materials planned are:

A manual for teachers and teaching materials—for use in drugs education;

A curriculum guide to help ensure that drugs education is correctly located in the curriculum;

A handbook for teacher trainers.

These materials were selected to provide a comprehensive and coherent range of support for work in schools and colleges. Arrangements for dissemination will be considered in more detail as the poject proceeds but the intention is to make the materials readily available through existing networks.

Mr. Rathbone asked the Secretary of State for Education and Science how he intends to assess the efficiency of activities against drug misuse undertaken by the new co-ordinators to be appointed by local education authorities in 1986.

Mr. Dunn: An initial assessment will be based on the proposals contained in the bids submitted by local education authorities. Her Majesty's inspectorate of schools will be involved in this assessment process. Effectiveness will be judged subsequently on the basis of reports on the activities promoted.

Mr. Rathbone asked the Secretary of State for Education and Science what guidelines he will be providing to help local education authority co-ordinators to stimulate the most effective activities against drug misuse.

Mr. Dunn: General guidelines are set out in the DES circular on the education support grants programme for 1986-87 to be issued shortly. Existing types of activity vary and so it is expected that a range of activities will be

supported, in accordance with local needs. However, key activities are expected to be: providing advice and support for the local authority's schools and colleges and for other staff including youth workers; arranging for the training of staff, co-ordinating education service activity with that of other local agencies: and liaison with appropriate national bodies.

Mr. Rathbone asked the Secretary of State for Education and Science how the additional funding of £2 million for drug misuse education will be applied in 1985-86 as between paying for co-ordinators, expansion of the local education authority advisory service, preparation and production of educational programmes to tie in with current Home Office publicity campaigns, the preparation of staff education programmes and joint programmes with outside agencies and with parent groups.

Mr. Dunn: The allocation of funding will depend on the precise activities proposed by local education authorities in their responses to the circular which will be issued shortly. My right hon. Friend would expect that in most cases the majority of the expenditure will be incurred in staffing costs.

Health Education

Mr. Rathbone asked the Secretary of State for Education and Science how soon Her Majesty's inspectors' of schools discussion document "Health Education from 5 to 16 years" will be available; and in what quantities.

Mr. Dunn: The discussion document about health education is one of a number that Her Majesty's inspectors' are currently working on. It is not possible at this stage to say precisely when it will be ready for publication. When it is completed and published, it will be available in sufficient quantity for copies to be sent free to every LEA, primary and secondary school, teacher training institution as well as to a wide number of other interested parties. Copies will also be available on request from the DES.

School Leavers (Reading Ability)

Mr. Hancock asked the Secretary of State for Education and Science what evidence is available to him as to the average reading ability of those leaving school at *(a)* 16 years and *(b)* 18 years.

Mr. Dunn: Surveys conducted for the assessment of performance unit between 1979 and 1983 in schools other than special schools show that at age 15 virtually all pupils are able to read in the sense that they can decode written words. Decoding is only one aspect of reading, however, and although there are no national figures for reading ability among 16-year-old and 18-year-old school leavers, there are indications (including results from local surveys of statutory school age pupils) that there is scope for improvement in standards of literacy.

Further Education

Mr. Murphy asked the Secretary of State for Education and Science what representations he has received from polytechnics following the Audit Commission report on obtaining better value in further education.

Mr. Brooke: My right hon. Friend has not received any representations from polytechnics or their maintaining authorities; he has, however, received a letter on this subject from the association of polytechnic teachers.

Teacher-Pupil Ratio

Mr. Hancock asked the Secretary of State for Education and Science what is his general policy towards the teacher-to-pupil ratio in schools in the light of falling school rolls.

Mr. Dunn: My right hon. Friend acknowledged in the White Paper "Better Schools" that some further limited improvement in the overall pupil-to-teacher ratio would be needed in order to give effect to the Government's policies for the curriculum and examinations. The extent to which the improvement can be achieved, and the pace of any change, must depend on future public expenditure plans. The benefits to be gained from any improvement will depend on local education authorities seeking to deploy teachers to maximum effect, taking account of changes in pupil numbers.

Education Committee Co-optees

Mr. Sheerman asked the Secretary of State for Education and Science how the present numbers and classes of education committee co-optees compare with those prior to 1973.

Mr. Dunn: This information is not available.

Teacher Statistics (West Midlands)

Mrs. Renée Short asked the Secretary of State for Education and Science if he will list the number of teachers of mathematics, physics and chemistry in secondary schools in the west midlands region in each single year since 1979, and the number of science teaching posts in schools, further education colleges, polytechnics and universities in the region which are unfilled.

Mr. Dunn: Information on the subjects being taught by secondary school teachers in particular regions is not available centrally. In January 1985 local education authorities in the West Midlands region reported to the Department that they had 48 unfilled vacancies for full-time permanent posts in maintained secondary schools for which mathematics, physics or chemistry was the main teaching subject required. There were a further 19 vacancies in other sciences and computer studies. Corresponding figures are not available centrally of vacancies in further education colleges, polytechnics or universities.

SCOTLAND

University of Aberdeen

Mr. McQuarrie asked the Secretary of State for Scotland if he will seek to ensure that the future of the B.Sc. (AGR) at the university of Aberdeen is not affected by the proposed cuts in research and development and advisory services; and if he will make a statement.

Mr. John MacKay: I shall reply to my hon. Friend as soon as possible.

Nurses (Pay)

Mr. Willie W. Hamilton asked the Secretary of State for Scotland if he will publish a table showing the real increase in the salary in each grade of nurse, since April 1979, including the current proposed increases to February 1986.

Mr. John MacKay: Increases in maxima of pay scales for the main nursing pay grades since 1 April 1979 are set out in the following table. The percentages shown should be seen against the movement of the Retail Price Index of 75 per cent. during the period to 14 May 1985.

Grades	*1 April 1979* £	*1 February 1986* £	*Increase* *Percentage*
Senior Nurse 6 (Senior Nursing Officer I	6,013	11,555	92·2
Senior Nurse 8 (Nursing Officer II)	5,380	10,460	94·4
Nursing Sister II (Ward Sister)	4,949	10,000	102·1
Staff Nurse	3,813	7,175	88·2
Enrolled Nurse	3,411	6,500	90·6
Nursing Auxiliary	2,915	5,120	75·6
Student—3rd Year	2,667	4,580	71·7
Director of Nurse Education I	8,601	17,470	103·1
Senior Tutor	6,150	11,870	93
Tutor	5,742	11,425	98·9
Clinical Teacher	5,380	10,675	98·4

Dentists

Mr. Willie W. Hamilton asked the Secretary of State for Scotland (1) what were the average annual expenses paid to dentists in the National Health Service in Scotland in the two years 1983-84 and 1984-85;

(2) what were the practice expenses paid in 1984 to each dentist in the National Health Service whose earnings were over £100,000.

Mr. John MacKay: Only estimated figures are yet available for average expenses—£26,051 for 1983-84 and £27,433 for 1984-85. Expenses are not directly reimbursed, but are allowed for in the general level of fees paid to dentists.

Mr. Willie W. Hamilton asked the Secretary of State for Scotland (1) how many dentists employed in the National Health Service in Scotland are in receipt of gross annual earnings of over £100,000;

(2) if he will publish in the *Official Report* a table showing the gross earnings of dentists in the National Health Service in 1984, showing the highest and lowest annual earnings paid;

(3) how many dentists employed in the National Health Service in Scotland in 1984 had gross annual earnings of up to £20,000, £20,000 to £30,000, £30,000 to £40,000, £40,000 to £50,000, £50,000 to £60,000, £60,000 to £70,000 and £70,000 upwards.

Mr. John MacKay: The information is as follows:

*Number of general dental practitioners**

Gross earnings in 1984†	*Number*
Up to £20,000	133
£20,000 to £30,000	132
£30,000 to £40,000	242
£40,000 to £50,000	300
£50,000 to £60,000	157
£60,000 to £70,000	108
£70,000 to £100,000	73
Over £100,000	11

Lowest individual gross earnings = £102
Highest individual gross earnings = £133,716

* These numbers relate to principals and exclude practitioners not "in contract" with a Health Board for at least 50 weeks in the year.

† Against the gross payments made to practitioners have to be set deductions in respect of surgery premises, equipment and supporting staff.

Mr. Willie W. Hamilton asked the Secretary of State for Scotland (1) if he will publish in the *Official Report* a table showing the number of examinations which took place in 1983 and 1984 of the work done by those National Health Service dentists with gross earnings of £100,000 in the relevant year; and with what results;

(2) how many examinations took place in 1984 of the work done by those National Health Service dentists with gross earnings of over £100,000; and what were the results.

Mr. John MacKay: The information is as follows:

	1983	*1984*
Number of dentists with gross earnings of £100,000 or more	12	11
Number of references to the regional dental service in respect of work by those dentists	77	50

In five cases reported on by the regional dental service in 1983 and three cases in 1984, the dental advisers of the Scottish Dental Estimates Board considered that the work had been unsatisfactory.

Mr. Willie W. Hamilton asked the Secretary of State for Scotland how many people were employed by the Scottish Dental Estimates Board for the purpose of monitoring dentists' activities in 1984; and what is the current total.

Mr. John MacKay: All staff of the Scottish Dental Estimates Board are engaged to some extent in monitoring dentists' activities. Staff numbers are as follows:

	1984	*1985*
Dental advisers	4·5	4·5
Clerical and administrative staff	172·5	172·5
TOTAL	177	177

Hospital Waiting Lists

Mr. Willie W. Hamilton asked the Secretary of State for Scotland how many patients were on hospital waiting lists in March for each of the years 1980 to 1985.

Mr. John MacKay: The numbers on waiting lists at March of each year were as follows:

	Numbers
1980	69,904
1981	67,679
1982	66,692
1983	96,757
1984	85,364

The provisional figure for September 1984 is 83,061.

The increase in waiting lists caused by industrial action in 1982 is now being steadily reduced. Lists tend to overstate numbers of patients waiting for treatment since they include duplicated entries and patients who no longer need treatment.

Psychiatric Hospital Buildings

Mr. Willie W. Hamilton asked the Secretary of State for Scotland what is the latest estimate of the capital expenditure needed to bring up to satisfactory standards the stock of psychiatric hospital buildings; and how soon he expects to achieve this target.

Mr. John MacKay: The survey of the hospital stock carried out in 1981 found that some £200 million required to be spent over about 10 years to bring the stock up to standard, of which £27 million was attributable to self-contained psychiatric hospitals.

Over the past three years I have made special allocations of £55 million to health boards for upgrading work. It is for boards themselves to decide on the priorities for the use of this money, and the extent to which they wish to use their normal allocations for this purpose.

Hospital Statistics

Mr. Willie W. Hamilton asked the Secretary of State for Scotland if he will list by health board area all hospitals which *(a)* closed and *(b)* opened, indicating the numbers of beds involved in 1984.

Mr. John MacKay: I refer the hon. Member to my replies of 7 May to the hon. Member for Dundee, East (Mr. Wilson) at columns *372-73*.

Mentally Ill and Handicapped People

Mr. Willie W. Hamilton asked the Secretary of State for Scotland what percentage of National Health Service beds is occupied by mentally ill and mentally handicapped persons; what percentage of consultants work with such patients; and if he will also provide the actual numbers involved.

Mr. John MacKay: For the National Health Service in Scotland, the information for 1984 is as follows:

Percentage of NHS hospital beds occupied by patients with		*Percentage of NHS consultants working with patients with*	
(a) Mental illness	*(b) Mental deficiency*	*(a) Mental illness*	*(b) Mental deficiency*
30·3	12·5	11·3	0·6

The total average number of occupied beds (March 1984) for mental illness patients is 14,264 and for mental deficiency patients 5,882 beds. The number of consultants (September 1984) in psychiatry is 219·4 (whole-time equivalents) and in mental deficiency 11·6 (whole-time equivalents).

Mental Hospitals

Mr. Willie W. Hamilton asked the Secretary of State for Scotland what is the weekly cost of food for patients in mental hospitals; and what is the comparable cost for other hospitals.

Mr. John MacKay: I refer the hon. Member to the reply I gave him on 5 December 1984 at columns *214-16*. Information for 1984-85 is not yet available.

Labour Statistics

Mr. Willie W. Hamilton asked the Secretary of State for Scotland what has been the increase in the numbers of long-term unemployed in Scotland in each of the last four years, defining long-term unemployed as those out of work for longer than 52 weeks.

Mr. Allan Stewart: I refer the hon. Member to my right hon. Friend's letter of 22 October 1984. Information relating to the numbers of unemployed in Scotland for over 52 weeks is available in the Library. It is difficult to make comparisions between the figures over the last four years because of the change in the basis of the count in October 1982, and the effect of the 1983 Budget provisions which mean that some men, mainly aged 60 and over, no longer have to sign on at unemployment benefit offices to receive benefit.

Mr. Dewar asked the Secretary of State for Scotland what was the total number of people unemployed in Scotland whose last known employment was in the construction industry at the most recent date for which figures are available.

Mr. Younger: The information requested is available in the Library. The industrial analysis of the unemployed registrants from which this information is obtained was discontinued in May 1982 which is therefore the latest date for which the information is available.

List D Schools

Mr. McQuarrie asked the Secretary of State for Scotland (1) what steps he has taken to satisfy himself of the ability of social work departments in regional local authorities to deal with children from list D schools who have multiple problems; and if he will make a statement.

(2) what representations he has received against transferring list D schools to social work departments within regional local authorities;

(3) which regional local authority departments will receive grants aid under his proposal to transfer the functions of list D schools to local authorities.

Mr. John McKay: I refer the hon. Member to my right hon. Friend's reply to a question tabled by my hon. Friend the Member for Cunninghame, North (Mr. Corrie) on 6 June at column *257*.

The majority of the children in the list D schools are already in the statutory care of local authorities. I do not believe that the ability of authorities to discharge their responsibilities will be affected by the changes which I propose to introduce in arrangements for financial support of the schools. The additional rate support grant payable under these arrangements will go to authorities and will not be earmarked to particular departments. I have however suggested to the Convention of Scottish Local Authorities that it might wish to consider a new specific grant.

Representations against my proposals have recently been made by the Church of Scotland, the Roman Catholic hierarchy and children's hearing interests. At an earlier

stage the Convention of Scottish Local Authorities and the list D Schools' Association indicated that they would prefer the present arrangements to continue.

Migration

Mr. Dewar: asked the Secretary of State for Scotland what was the rate of migration from Scotland in each year since 1979 for which records are available, expressed *(a)* as a percentage of total population, *(b)* as a percentage of labour force and *(c)* as a total number.

Mr. Younger: The information requested in *(a)* and *(c)*, covering 1 July to 30 June in each case, is as follows:

	Estimated net emigrants	*Percentage of population start of period*
1979-80	16,300	0·3
1980-81	23,100	0·4
1981-82	14,900	0·3
1982-83	17,800	0·3
1983-84	9,100	0·2

Comparison of the number of migrants with the size of the labour force is not meaningful because not all migrants are members of the labour force.

Estimates of net migration of members of the labour force are not available. A table comparable to the one above, but restricted to the age group 15-64, is given below.

	Estimated net emigrants aged 15-64	*Percentage of population aged 15-64 at start of period*
1979-80	11,100	0·3
1980-81	15,700	0·5
1981-82	10,200	0·3
1982-83	14,200	0·4
1983-84	7,100	0·2

EMPLOYMENT

Labour Statistics

Mr. Baldry asked the Secretary of State for Employment whether unemployment benefit offices keep a record of the names and addresses of the long-term unemployed.

Mr. Alan Clark: The names and addresses of all unemployed people claiming benefits are recorded at an an unemployment benefit office to enable, where necessary, payments to be sent to them by post.

Departmental Staff

Mrs. Rumbold asked the Secretary of State for Employment what manpower reductions his Department has achieved in 1984-85.

Mr. Peter Bottomley: Between 1 April 1984 and 1 April 1985 the number of permanent staff in my Department has decreased by 1,637.

Pay Statistics

Mr. Willie W. Hamilton asked the Secretary of State for Employment what percentage increases in pay have been received by firemen, dustmen, local government officials, non-industrial civil servants and teachers in each of the past five years.

Mr. Peter Bottomley: The available estimates of the percentage increases in average gross weekly earnings of full-time employees working a full week covered by the collective agreements identified in the new earnings survey corresponding as far as possible with the groups referred to are set out in the following table.

Percentage Increases in Average Gross Weekly Earnings of Adult Employees

	April to April				
	1979-80	*1980-1981*	*1981-1982*	*1982-1983*	*1983-1984*
Fire services—operational ranks below station officer: males	24·0	17·4	11·6	8·5	4·5
Local authorities' services—England and Wales: manual workers NJC					
males	28·2	7·5	4·5	6·1	6·8
females	27·3	10·5	8·2	7·6	5·5
Scotland: manual workers NJC					
males	19·9	10·4	5·0	9·7	3·2
females	32·1	15·8	0·7	4·8	6·2
Civil Service National Whitley Council: Administration group: middle and higher grade					
males	36·5	7·6	3·6	8·0	6·8
females	39·3	2·4	8·7	8·6	6·2
Administration group: clerical grades					
males	28·9	1·8	7·3	10·3	2·2
females	30·8	1·6	8·4	7·6	6·2
Teaching					
England and Wales: Burnham Committee—primary, secondary and special schools					
males	17·6	36·7	1·3	8·0	4·8
females	17·9	35·4	1·5	8·3	5·1

	1979-80	1980-1981	April to April 1981-1982	1982-1983	1983-1984
Scottish Teachers Salaries Committee—primary and secondary schools					
males	19·6	37·8	2·6	11·8	2·4
females	19·2	38·3	3·5	11·0	1·8

Notes:
(a) For April 1979 to April 1983, males aged 21 and over and females aged 18 and over: for April 1983 to April 1984, males and females on adult rates.
(b) Changes in average earnings between successive Aprils may reflect changes in the timing of annual pay settlements. Also, changes in average earnings may reflect changes in the composition of employment in terms of grades, etc., and do not necessarily correspond to changes in pay for comparable jobs.

Manpower Services Commission

Mr. Sheerman asked the Secretary of State for Employment if he will list the total expenditure in 1984-85 prices of the Manpower Services Commission in each year since 1974, together with the percentage change in real terms over each previous year.

Mr. Peter Morrison: The information requested is as follows:

Financial Year	Expenditure at 1984-85 prices £ million	Percentage increase over previous year
1974-75	357·9	—
1975-76	699·1	+95·3
1976-77	971·0	+38·9
1977-78	1,072·0	+10·4
1978-79	1,139·8	+ 6·3
1979-80	1,105·7	− 3·0
1980-81	1,114·9	+ 0·8
1981-82	1,296	+16·2
1982-83	1,461·4	+13·0
1983-84	1,848·5	+26·5
1984-85	2,051·5	+11·0

Notes:
(1) Expenditure at 1984-85 prices is derived using the Gross Domestic Produce deflator.
(2) 1974-75 expenditure does not reflect a full year of operations.
(3) 1984-85 data are provisional.

Expenditure includes the agency services performed by the Manpower Services Commission on behalf of the Department of Employment.

Youthaid

Mr. Sheerman asked the Secretary of State for Employment if he will publish in the *Official Report*, the evidence on which he based his statement of 11 June *Official Report*, columns *816-87*, about the factual accuracy of statements made by Youthaid; and if he will make a statement.

Mr. Peter Morrison: The evidence came from the hon. Member himself during the debate on 11 June, at column 816, when, quoting Youthaid as his source, he reported 50 per cent. of trainees from the youth training scheme as going into jobs. As the hon. Member is aware, the most comprehensive picture to date of the destinations of leavers from the scheme is provided by the survey of young people leaving between July and September 1984, when about half of all the 1984 leavers left the scheme. This clearly shows around 60 per cent. of trainees going into employment.

Youth Training Scheme

Mr. Sheerman asked the Secretary of State for Employment if he will give for 1983-84, 1984-85 and his latest estimate for 1985-86, the total sum expended on the youth training scheme; and if he will give the total sum expended on *(a)* grants paid to mode A managing agents, broken down into the administration fee, the training allowance, the trainee allowance and capital grants, *(b)* mode B1, and *(c)* mode B2.

Mr. Peter Morrison: The information requested is shown in the table:

£ million

	1983-84 Outturn	1984-85 ¶Outturn	1985-86 Estimate
Administration fee	32·4	32·5	33·6
Other Grants*	204·1	437·0	495·4
Total Mode A	236·5	469·5	529·0
Mode B1	111·6	239·0	204·8
Mode B2	20·5	39·5	28·1
Capital Grants†	1·2	4·6	3·0
Other Expenditure‡	10·7	12·2	16·2
Total YTS Expenditure	380·5	764·8	781·1

* Separate information is not available for the contribution towards the cost of training and the trainee allowance. Other grants also include expenditure on excess travel and lodging allowances and vacated places.
† Capital grants expenditure cannot be separately identified by Mode.
‖ Excludes MSC administration costs.
‡ Other expenditure includes research and development, accredited centres and miscellaneous minor items.
¶ Outturn for 1984-85 is provisional.

NORTHERN IRELAND

Housing Conditions Survey

Rev. Martin Smyth asked the Secretary of State for Northern Ireland when the housing conditions survey for Northern Ireland 1984 will be published.

Mr. Chris Patten: This is a matter for the Northern Ireland Housing Executive but I understand from the chairman that it is hoped to publish the report in September 1985.

NATIONAL FINANCE

European Monetary System

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report* a table showing for each month since the European monetary system was established the divergence of the pound sterling from the central rate of the European currency unit compared with that of the Norwegian krone, together with the relative volume and terms of trade each year for imports and exports of manufactures.

Mr. Ian Stewart: Norway is not a member of the EMS and the krone does not therefore have a notional central rate against the ecu. The table shows the market rates of sterling and the krone against the ecu, for the period requested.

	Sterling	*Krone*
1979		
March	0·65411	6·90350
April	0·64327	6·87592
May	0·63685	6·84455
June	0·62835	6·95702
July	0·61156	6·97606
August	0·61425	6·96874
September	0·64036	6·96931
October	0·66069	6·89130
November	0·64971	7·09852
December	0·64647	7·08766
1980		
January	0·63236	6·97705
February	0·62076	6·93487
March	0·60208	6·74511
April	0·61698	6·86666
May	0·60112	6·84939
June	0·60675	6·92268
July	0·60467	6·92588
August	0·58933	6·83279
September	0·58617	6·81351
October	0·55271	6·68702
November	0·56240	6·69571
December	0·54750	6·76424
1981		
January	0·51767	6·70448
February	0·54187	6·52140
March	0·53954	6·49587
April	0·53523	6·34882
May	0·52829	6·27852
June	0·54401	6·33807
July	0·55358	6·26855
August	0·55396	6·21065
September	0·58923	6·30745
October	0·58651	6·45109
November	0·56545	6·34156
December	0·56770	6·84550
1982		
January	0·56199	6·23209
February	0·55941	6·10454
March	0·55832	6·08254
April	0·57026	6·10329
May	0·56817	6·13934
June	0·55210	5·99409
July	0·55320	6·19521
August	0·54948	6·34056
September	0·54977	6·48297
October	0·54778	6·65459
November	0·57827	6·60368
December	0·60029	6·83657
1983		
January	0·61244	6·70392
February	0·62003	6·76296
March	0·62473	6·65129
April	0·58985	6·54636
May	0·56325	6·47783
June	0·58343	6·50323
July	0·56684	6·37136
August	0·56459	6·32835
September	0·57483	6·31258
October	0·57472	6·34401
November	0·57284	6·27638
December	0·57060	6·34593
1984		
January	0·57096	6·31010
February	0·57774	6·43513
March	0·59765	6·45407
April	0·58966	6·41387
May	0·59208	6·36700
June	0·59393	6·42025
July	0·59197	6·43759
August	0·59150	6·42553
September	0·59271	6·51000
October	0·60406	6·48741
November	0·60126	6·44754
December	0·61438	6·44786
1985		
January	0·62262	6·44169
February	0·61009	6·38708
March	0·58402	6·44514
April	0·58245	6·44801
May	0·57183	6·41506
June	0·56775	6·43264

The information on trade in manufactures is in the table.

Trade in manufactures—United Kingdom and Norway
Indices (1980)=100

	Export volume	*Import volume*	*Terms of trade*
Norway			
1979	100	88	96
1980	100	100	100
1981	99	103	102
1982	98	110	99
1983	105	109	101
1984	115	126	110
United Kingdom			
1979	99	101	96
1980	100	100	100
1981	94	98	101
1982	95	106	101
1983	94	119	100
1984	102	130	99

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report* a table showing what effect on a recent date a pronounced movement in the pound sterling had on the central rate of the European currency unit and the divergence indicators for each member of the exchange rate mechanism.

Mr. Ian Stewart: Since 17 September 1984, sterling's notional central rate against the European currency unit has been £0·585992. The table shows sterling's market ecu rate and its divergence indicator in a recent week.

	£ ECU	*£ divergence indicator**
17 June 1985	0·574080	−106
18 June 1985	0·571922	−126
19 June 1985	0·569682	−146
20 June 1985	0·570452	−139
21 June 1985	0·571337	−131

* The divergence indicator is calculated by expressing the ecu's premium or discount against sterling (ie the percentage deviation of sterling's market ecu rate from its notional central rate) as a percentage of sterling's maximum divergence spread (ie 1·91 per cent.).

The effect of movements in sterling on other countries' divergence indicators cannot readily be calculated. For purposes of calculating the divergence indicators of currencies that participate in the exchange rate mechanism an adjustment is made to eliminate that element of the change in the ecu's value due to movements of sterling, lira and the drachma outside notional 2¼ percent. bilateral margins.

Leasing Companies

Mr. Barron asked the Chancellor of the Exchequer why the Inland Revenue has decided that leasing companies may not claim decreciation allowance against leased central heating systems in council housing; and for how long previously such allowances have been able to be claimed.

Mr. Moore: There are restrictions on the capital allowances that may be given where machinery or plant is let for use in a dwelling house. These have applied for many years. How exactly the restrictions might apply to leased central heating in council housing depends on the facts of each case. If the hon. Member has a particular set of circumstances in mind and would care to send me the details I should be happy to look at the matter further.

CIVIL SERVICE

House of Commons Disqualification Act 1975

Mr. Favell asked the Minister for the Civil Service what arrangements are to be made to provide hon. Members with information about the amendments contained in the resolution tabled on 4 July updating schedule 1 to the House of Commons Disqualification Act 1975.

Mr. Hayhoe: A detailed explanatory note is available from the Vote Office.

SOCIAL SERVICES

Dispensing Doctors

Rev. Martin Smyth asked the Secretary of State for Social Services what is the relationship between the fees and allowances paid to doctors for dispensing National Health Service drugs and the costs incurred in providing that service; and what evidence has been given by his Department to the dispensing doctors review body on this matter.

Mr. Kenneth Clarke: General medical practitioners as a body are reimbursed all costs incurred providing general medical services including dispensing drugs. Certain of these costs are directly reimbursed which means that each individual doctor receives reimbursement for the costs he personally incurred. Some of these directly reimbursed costs, such as the costs (less discount) of drugs and appliances, relate directly to the cost of dispensing. Others, such as the reimbursement of 70 per cent. of the costs of employing certain ancillary staff and cost of renting or purchasing practice premises, cover costs incurred providing general medical services and dispensing.

All other costs are reimbursed indirectly on an average basis through fees and allowances. These are set by the review body on doctors' and dentists' remuneration. They cannot build in to each fee and allowance the amount for expenses appropriate to that fee or allowance as this information is not available. It is therefore not possible to say what the relationship is between the payments to doctors for dispensing, which include a dispensing fee and an on-cost addition of 10·5 per cent. of the cost of the item dispensed, and the dispensing costs which they incur.

Our evidence to the review body has in the last two years concentrated on the steps which have been taken to establish the level of discounts obtained by doctors on their drug purchases to ensure that the direct reimbursement of the cost of drugs and appliances as nearly as possible matches the costs incurred.

Abortion Pill

Sir John Biggs-Davison asked the Secretary of State for Social Services if he will issue guidance in relation to the testing of an abortion pill at Edinburgh university about the circumstances in which such a pill may be offered to pregnant women; and if he will make a statement.

Mr. Kenneth Clarke: We do not consider that any guidance is needed. The doctor responsible for this clinical trial has confirmed that it will be conducted in accordance with the requirements of the Abortion Act.

Dentists

Mr. Willie W. Hamilton asked the Secretary of State for Social Services if he will publish a table showing for each of the last three years the gross annual earnings of National Health Service dentists in brackets of £10,000 up to £200,000 and over £200,000; and what was the highest gross earnings figure.

Mr. Kenneth Clarke: The information we have readily available relates to the gross earnings, from which dentists have to meet their expenses, of dentists in Great Britain included in the calculations of the dental rates study group. This excludes assistants (whose earnings are included in those of their employers) and certain other dentists, for example those who have been on NHS lists for less than a year. The information is as follows:

£	*1982*	*1983*	*1984*
1 to 9,999	1,016	989	933
10,000 to 19,999	1,086	1,025	1,007
20,000 to 29,999	1,860	1,631	1,420
30,000 to 39,999	2,790	2,607	2,337
40,000 to 49,999	2,574	2,722	2,943
50,000 to 59,999	1,681	1,941	2,216
60,000 to 69,999	887	1,092	1,374
70,000 to 79,999	451	596	784
80,000 to 89,999	228	291	393
90,000 to 99,999	120	171	214
100,000 to 109,999	63	76	121
110,000 to 119,999	37	56	67
120,000 to 129,999	26	33	40
130,000 to 139,999	23	19	18
140,000 to 149,999	9	14	11
150,000 to 159,999	8	7	11
160,000 to 169,999	4	3	5
170,000 to 179,999	3	5	2
180,000 to 189,999	0	0	3
190,000 to 199,999	1	0	1
200,000 and more	3	3	2
Total	12,870	13,281	13,902
Highest individual gross earnings	£239,611	£225,669	£241,590

Family Practitioner Committees

Mr. Meacher asked the Secretary of State for Social Services if he will now publish the names and addresses of all family practitioner committee members.

Mr. John Patten: Family practitioner committee chairmen have been asked to publish locally the names of their committee members together with brief biographical details.

Dental Fillings

Mr. Meacher asked the Secretary of State for Social Services if he will now make composite dental fillings (non mercury amalgam) available on the National Health Service.

Mr. Kenneth Clarke: I am quite unable to understand the point of this question. Composite dental fillings are already available under the National Health Service.

Cumberland Infirmary (Domestic Services)

Mr. Ron Lewis asked the Secretary of State for Social Services what representations he has received about the decision of East Cumbria area health authority that the 10 per cent. bonus payable at the Cumberland infirmary must be withdrawn in any tender that staff submit for domestic services in the hospital; and if he will make a statement.

Mr. Kenneth Clarke: It is for local management to decide the basis upon which the in-house tender is submitted. The in-house tender will then be compared with that of other tenderers, and we would expect the lowest bidder to be awarded the contract.

Food Additives (Letter)

Mr. Latham asked the Secretary of State for Social Services what was the cost to public funds in postage and other distribution costs of sending departmental letter CMO(85)8 regarding food additives to all doctors in England, and other recipients, by first class post on 27 June; and why this was done so far in advance of the regulations taking effect on 1 July 1986.

Mr. John Patten: All doctors and pharmacists in England were provided with this information. 104,763 letters were distributed at a total cost of £32,542·62. The exercise was designed to assist health care professionals in the diagnosis and treatment of the small number of individuals who have adverse reactions to food additives. Some food additives have had to be specifically identified in ingredient lists since 1 January 1983. The Food Labelling Regulations 1984 which came into operation on 19 September 1984 require all additives (except flavourings which present special problems) to be identified fully in ingredient lists. Many manufacturers are already complying with these new requirements although they may, if they so desire, continue to comply with earlier regulations until 1 July 1986.

State Earnings-related Pension Scheme

Mrs. Renée Short asked the Secretary of State for Social Services what assessments have been made by his Department during the last five years of the relative buying power of the state earnings-related pension scheme.

Mr. Newton: We make regular assessments of the value of the average amount of the additional component to the state earnings-related pension scheme and its value against the rise in prices. The latest assessment is as follows:

	Average value of additional component £	*Value against prices (1979 = 100)*
November 1979	0·70	100
November 1980	1·08	134
November 1981	1·54	169
September 1982	1·88	197
September 1983	2·50	249

Notes:
1. All prices = General Index of Retail Prices
2. Figures are only available up to 1983

Elderly Persons

Mrs. Renée Short asked the Secretary of State for Social Services on what factors he based his decision to reduce the amounts of money which old people can claim from his Department when seeking places in homes; and what assessments he made of the effects which this policy would have on such claimants.

Mr. Newton: The new limits for residential care and nursing homes were set with reference to the information available to us on existing limits and charges, together with our determination on the amount we consider it reasonable for supplementary benefit to meet. We are monitoring the effects of the regulations closely.

Mrs. Renée Short asked the Secretary of State for Social Services if he will list the number of elderly people and handicapped citizens who have received financial support from his Department in each single year since 1979 for residence in homes or nursing homes and the range of the amounts of support which were granted to them during the same period.

Mr. Tony Newton: I regret that we have no information on handicapped citizens in this respect. The number of pensioners in private and voluntary residential care and nursing homes together with the average amount of benefit paid and total expenditure on the basis of December figures is in the table.

Year	*Number*	*Average amount of benefit* £	*Total spend on basis of December figures* £ *million*
1979	11,000	18·04	10
1980	12,000	28·11	18
1981	12,000	36·30	23
1982	14,000	47·27	34
1983*	23,000	75·25	90

* Provisional.

Source: Annual Statistical Enquiries, December each year.

Note: Average benefit figures include personal expenses but are net of other incomes such as retirement pension, which fails to be taken into account in supplementary benefit assessment. The total in benefit payments does not therefore give an accurate reflection of the movement in charges; it indicates the movement in that part of the charge that fell to supplementary benefit to meet.

Heating Addition

Mr. Dorrell asked the Secretary of State for Social Services what is the estimated cost of the decision to provide automatic heating additions to the long-term sick and disabled over and above the cost of the heating additions already received by some of this group.

Mr. Newton: We estimate that this extension of entitlement will cost about £1 million in a full year.

Family Income Supplement

Mr. Dorrell asked the Secretary of State for Social Services what will be the cost in a full year of the improvements in *(a)* family income supplement and *(b)* the housing benefit children's needs allowance announced recently; and what is the total net cost, allowing for the interaction between the two.

Mr. Whitney: The estimated gross costs in 1986-87 of the uprating improvements from November 1985 are £14 million for family income supplement plus £12 million for the increase in housing benefit children's needs allowance.

The full year FIS cost of £17 million would not be reached until 1987-88. I shall let my hon. Friend have a reply to the last part of his question as soon as possible.

Board and Lodging Rules (Exemptions)

Mr. Gordon Brown asked the Secretary of State for Social Services how many cases have been reported to his Department of inaccurate or inadequate information provided to claimants about exemptions from the new board and lodging rules; and if he will make a statement.

Mr. Whitney: We are not aware of any significant complaints about information to claimants. We are always concerned to improve communications and we have revised the standard letters sent to claimants aged under 26 to ensure that the explanation of the new rules is as clear as possible. I shall, however, be glad to look at any specific case where the hon. Member feels there has been a problem.

Blood Transfusion Service

Mrs. Renée Short asked the Secretary of State for Social Services what resources he intends to make available to the blood transfusion service to perform the proposed acquired immune deficiency syndrome tests for blood donors.

Mr. Kenneth Clarke: We wrote to regional health authorities on 20 February 1985 asking them to set aside funds in 1985-86 for the introduction of the AIDS screening test in their blood transfusion centres. We would expect regional health authorities to find the money needed from within the £9,505 million made available for the hospital and community health services in 1985-86.

Tobacco Industry (Advertising and Sponsorship)

Mrs. Renée Short asked the Secretary of State for Social Services if he has yet reached any conclusions following the review of current voluntary agreements with the tobacco industry on advertising and sponsorship; and if he will make a statement.

Mr. John Patten: The review process is due to commence next week. Discussions will be confidential until they are concluded.

Benefits (Uprating)

Mr. Hickmet asked the Secretary of State for Social Services when he intends to lay the orders and regulations needed to give effect to the uprating of social security benefits in November.

Mr. Newton: The following regulations have been laid today:

(a) The Social Security Benefits (Uprating) Order 1985 accompanied by a Report from the Government Actuary on the effect of the changes on the National Insurance Fund and

(b) The Pensioner's Lump Sum Payment Order 1985

(c) The Child Benefit (Uprating) Regulations 1985

(d) The Family Income Supplement (Computation) Regulations 1985

(e) The Housing Benefit (Increase of Needs Allowance) Regulations 1985

Other regulations will be laid next week.

Housing Benefit

Dr. McDonald asked the Secretary of State for Social Services if he will provide the latest available estimates of the total numbers of recipients of standard housing benefits, divided between rate assistance and rent assistance; how many in each category have income above and below the needs allowance; if he will give the current year and full year estimates of the expenditure saving due to the increase in the rate taper to 13 pence and estimate of the number of claimants who will be adversely affected by the taper increase without taking account of the increase in the child needs allowance; how many of these losers will lose eligibility to rate rebates altogether; and if he will as far as possible break the above estimates down as between pensioners, working householders and others.

Mr. Newton [*pursuant to his reply*, 24 June 1985, c. *335*]: The latest estimates of recipients of housing benefit not on supplementary benefit relate to November 1985. The figures are given in table 1. The estimates take account of caseload changes indicated by the recent initial subsidy claims for 1985-86 from local authorities; the recently announced increases in benefit rates; the proposed increase in the rate rebate taper above the needs allowance and the real improvement in the dependent child addition to the needs allowance. Estimates of the numbers affected by the proposed rates taper change and the numbers who will not receive a rate rebate which they would otherwise have received are given in table 2. The estimated expenditure saving from the increase in the rate rebate taper change will be £20 million in a part year and £57 million in a full year.

Table 1. Estimated Standard Housing Benefit Caseload at November 1985

Thousands. Great Britain

Household Type	*Rate Rebate Recipients*			*Rent Rebate or Allowances Recipients*		
	Above Needs Allowance	*Below Needs Allowance*	*Total*	*Above Needs Allowance*	*Below Needs Allowance*	*Total*
Pensioners	1,200	1,250	2,400	650	650	1,300
Working	150	200	350	150	100	250
Other	250	450	700	200	350	550
All	1,550	1,990	3,450	1,050	1,100	2,150

Table 2. Estimated Number of Households Affected by November 1985 Rates Taper Change, and Numbers Losing all Rate Rebate
Thousands, Great Britain

Household Type	*Number Affected by Rates Taper Change*	*Number Losing all Rate Rebate*
Pensioners	1,470	270
Working	270	100
Other	330	80
All	2,060	460

District Health Authorities

Mr. Barron asked the Secretary of State for Social Services if he will arrange district health authorities in order of listing upon dividing the revenue expenditure, as contained in the 1983-84 annual statutory accounts of each district health authority in England by the population figures for each district.

Mr. Kenneth Clarke [*pursuant to his reply*, 25 June 1985, c. *385*]: The information is shown in the table. I should stress that comparisons based on crude population figures are not a precise indication of how the service provided by an authority relates to the needs of its district. In particular, they take no account of the use made of services in one district by residents of others, of the fact that certain highly specialised services are concentrated in particular localities, of extra costs associated with undergraduate medical teaching, of the payment of London weighting allowances, and of differences in the age structure and morbidity of the populations served. The comparison is further distorted by the fact that certain authorities provide ambulance services serving a number of districts, the expenditure in these cases being shown only in the accounts of the providing authority.

	Health district	*Revenue expenditure per head £*
1	Bloomsbury	874-16
2	Hampstead	580-02
3	Victoria	520-10
4	Preston	486-29
5	West Lambeth	466-42
6	Paddington	459-35
7	Tower Hamlets	445-81
8	Wandsworth	442-10
9	South Manchester	416-04
10	Central Manchester	403-60
11	City and Hackney	391-75
12	Central Birmingham	386-18
13	Newcastle Upon Tyne	384-84
14	North Manchester	334-81
15	Lewisham and North Southwark	316-63
16	Hammersmith and Fulham	307-61
17	Lancaster	288-09
18	Camberwell	281-48
19	Wakefield	272-62
20	Waltham Forest	265-29
21	Islington	263-85
22	Salford	260-42
23	Greenwich	259-12
24	Aylesbury	248-16
25	South Sefton	247-42
26	West Birmingham	246-32
27	Sheffield	241-37
28	Exeter	240-26
29	Liverpool	236-77
30	East Surrey	233-59
31	Chester	227-78
32	Mid Surrey	226-42
33	Warrington	224-45
34	Frenchay	215-87
35	Cambridge	212-73
36	South Birmingham	210-35
37	Barnet	210-04
38	Kingston and Esher	208-79
39	Kidderminster	207-47
40	Hillingdon	206-76
41	Tunbridge Wells	205-68
42	Leeds Western	203-76
43	Bristol and Weston	202-39
44	Salisbury	202-01
45	Southampton and South West Hampshire	201-93
46	North Birmingham	198-90
47	Nottingham	195-33
48	Darlington	193-23
49	Leeds Eastern	192-38
50	Brent	188-94
51	West Lancashire	188-50
52	South Tees	187-51
53	Southport and Formby	185-80
54	Burnley Pendle and Rossendale	185-36
55	Dartford and Gravesham	184-03
56	Haringey	183-19
57	York	183-02
58	Merton and Sutton	182-44
59	East Yorkshire	180-81
60	Southmead	180-66
61	Harrow	180-34
62	Canterbury and Thanet	179-16
63	North Lincolnshire	179-02
64	North East Essex	178-69
65	Oxfordshire	178-09
66	East Cumbria	177-05
67	Huddersfield	175-71
68	Blackburn, Hyndburn and Ribble Valley	175-35
69	North West Hertfordshire	174-51
70	Plymouth	172-97
71	Norwich	172-87
72	Northumberland	172-45
73	Sunderland	171-78
74	Northampton	171-12
75	Hull	171-03
76	Harrogate	170-39
77	Wolverhampton	169-19
78	South Warwickshire	168-96
79	Croydon	167-41
80	South West Surrey	167-41
81	Eastbourne	167-31
82	Bradford	167-26
83	South West Durham	166-80
84	Maidstone	165-99
85	East Suffolk	165-86
86	Bromley	165-84
87	Isle of Wight	165-66
88	Macclesfield	165-13
89	North West Surrey	164-88
90	West Dorset	164-47
91	Brighton	164-05
92	Worcester	163-49
93	Coventry	163-31
94	Hounslow and Spelthorne	162-94
95	North Staffordshire	162-73
96	North West Durham	162-43
97	Basingstoke and North Hants	162-41
98	Somerset	161-34
99	Hastings	159-43
100	Swindon	158-63
101	Basildon and Thurrock	158-01
102	Gloucester	157-95
103	Peterborough	157-44
104	Hartlepool	157-16
105	Wirral	156-90

	Health district	Revenue expenditure per head £
106	Chichester	155-27
107	Newham	153-50
108	North Warwickshire	152-35
109	East Birmingham	151-53
110	South Derbyshire	151-45
111	Hereford	150-08
112	Winchester	149-16
113	West Cumbria	148-33
114	Bexley	147-61
115	Redbridge	147-54
116	Airedale	147-26
117	Leicestershire	146-92
118	Richmond, Twickenham and Roehampton	144-52
119	Central Nottinghamshire	144-13
120	Calderdale	143-76
121	Shropshire	143-76
122	Bath	143-21
123	West Berkshire	143-00
124	South West Hertfordshire	142-60
125	Barking, Havering and Brentwood	142-05
126	Grimsby	141-57
127	Doncaster	141-10
128	Cornwall	140-72
129	North Tees	140-20
130	Mid Downs	139-86
131	East Dorset	139-65
132	Mid Essex	139-32
133	Dudley	139-27
134	Stockport	139-23
135	St. Helens and Knowsley	135-95
136	North Devon	134-34
137	Great Yarmouth	134-30
138	Blackpool, Wyre and Fylde	132-52
139	North Bedfordshire	132-26
140	Portsmouth and South East Hants	131-90
141	Crewe	131-47
142	Bolton	129-05
143	West Suffolk	129-03
144	East Berkshire	128-05
145	Ealing	127-63
146	Barnsley	127-40
147	Walsall	127-12
148	Torbay	126-33
149	Pontefract	126-16
150	Gateshead	126-05
151	Oldham	125-79
152	South Bedfordshire	125-70
153	South Lincolnshire	124-46
154	Bromsgrove and Redditch	124-36
155	Wigan	123-72
156	Medway	123-60
157	Dewsbury	122-63
158	Enfield	121-96
159	Cheltenham	121-84
160	Solihull	121-71
161	South Cumbria	121-57
162	West Surrey and North East Hants	121-36
163	Huntingdon	121-13
164	Southend	120-67
165	West Essex	120-01
166	West Norfolk and Wisbech	119-84
167	South Tyneside	119-51
168	Worthing	119-44
169	Mid Staffordshire	119-24
170	South East Kent	118-08
171	Scarborough	117-08
172	Rotherham	117-02
173	Bury	115-97
174	South East Staffordshire	114-66
175	Durham	114-10
176	Rochdale	113-73
177	North Hertfordshire	113-68
178	Trafford	112-59
179	Rugby	111-65
180	Bassetlaw	110-52
181	Scunthorpe	109-47
182	Tameside and Glossop	108-25
183	Kettering	107-41
184	Northallerton	104-72
185	Sandwell	102-75
186	North Tyneside	95-94
187	North Derbyshire	93-31
188	Wycombe	89-32
189	East Hertfordshire	89-13
190	Halton	67-59
191	Milton Keynes	66-57
192	Chorley and South Ribble	61-04

Note: The figures exclude expenditure on family practitioner services, which was borne in the accounts of only some 90 of the authorities. The population figures used are the final home population estimates for mid 1983.

TRANSPORT

Wheel Clamping (London)

Mr. Dickens asked the Secretary of State for Transport whether he has any plans for or has had any discussions about privatising the wheel clamping operations in London.

Mr. Giles Shaw: I have been asked to reply. A joint Home Office/Metropolitan police review team is currently examining the possibility of contracting out, under police supervision, both the wheel clamping and vehicle removal operations currently undertaken by Metropolitan police employees. My right hon. and learned Friend expects to receive the team's recommendations shortly.

ENERGY

Natural Gas Grids

Mr. John David Taylor asked the Secretary of State for Energy if he has given consideration to a link between the natural gas grids in Great Britain and the Republic of Ireland as part of an overall European gas grid; and if he will make a statement.

Mr. Buchanan-Smith: I have not had such a proposal put to me. However, the Government's policy is that interconnections between the gas grids of Great Britain and other countries need to meet normal criteria of commercial viability.

Wylfa Nuclear Power Station

Mr. Best asked the Secretary of State for Energy if any safety checks have been, or are proposed to be, carried out by the Nuclear Installations Inspectorate on Wylfa nuclear power station; if he is satisfied with the existing safety standards; and if he will make a statement.

Mr. Goodlad: I am advised by the Health and Safety Commission that the nominated site inspector from HM Nuclear Installations Inspectorate makes regular visits (at least one per month) to Wylfa to check compliance with the nuclear site licence. In accordance with the licence each reactor is subject to biennial shut-down for maintenance and inspection and cannot be restarted

without obtaining the consent of the inspectorate. That consent is granted only if the inspectorate is satisfied that safety standards are being maintained. I am satisfied with the existing safety standards which are under continual review to ensure that operating experience and technical advances are put to best use.

Nuclear Installations (Safeguards Inspections)

Mr. D. E. Thomas asked the Secretary of State for Energy if he will specify the dates in which *(a)* the International Atomic Energy Agency Inspectorate and *(b)* the Euratom Inspectorate have been informed that certain areas within some nuclear facilities are excluded from regular safeguards inspections as a result of national security reasons.

Mr. Goodlad: The United Kingdom Euratom IAEA safeguards agreement (Cmnd. 6730) was signed by the three parties on 6 September 1976. In the course of the negotiations leading to this signature the parties recognised that certain areas within some nuclear facilities would not be subject to routine inspection activities for national security reasons. This point is embodied in article 1*(a)* of the agreement. Euratom were made aware of these restrictions prior to United Kingdom accession to the treaty establishing the European Atomic Energy Community (Euratom) on 1 January 1973.

Plutonium

Mr. D. E. Thomas asked the Secretary of State for Energy if, pursuant to the answer of 10 June, *Official Report*, column *299*, he will define the terms transfers and holdings as they apply to plutonium figures reported to Euratom.

Mr. Goodlad: The plutonium figures reported to Euratom are for plutonium in shipments of irradiated fuel elements when they are transferred from the reactor storage ponds to the reprocessing plant. An annual report of fuel holdings is made to Euratom, giving the total number of fuel elements in the fresh fuel store, the reactor core and the irradiated fuel storage pond. The quantities of plutonium in these elements is not separately stated.

Sizewell Inquiry

Mr. Weetch asked the Secretary of State for Energy what is his latest estimate of the date when the report of the inspector in charge of the Sizewell inquiry will be submitted to him; and if he will make it his policy to publish the report as soon as practicable thereafter.

Mr. Goodlad: The inspector has informed my right hon. Friend that he hopes to be able to deliver his main recommendations to him before the end of this year. It is the Government's intention to publish the report and make it available to the House, but the Secretary of State will wish to see it first and consider it before deciding on the publication date.

Sellafield (Plutonium)

Mr. D. E. Thomas asked the Secretary of State for Energy how much plutonium originating from the Central Electricity Generating Board and South of Scotland Electricity Board Magnox reactors was contained in solid and intermediate level wastes at Sellafield on 31 March 1984.

Mr. Goodlad: I have nothing to add to the answer I gave to the hon. Member on 15 March 1985 at column 301.

Magnox Reactors (Spent Fuel)

Mr. D. E. Thomas asked the Secretary of State for Energy what was the average burn-up (in MWd/te) of the spent fuel discharged from each of the Central Electricity Generating Board Magnox reactors for each of the fiscal years from 1977-78 to date.

Mr. Goodlad: I am advised by the Central Electricity Generating Board that this information could be provided only with disproportionate cost and effort.

Plutonium Exports

Mr. D. E. Thomas asked the Secretary of State for Energy if he will list all exports of plutonium for civil purposes by amount, country of receipt, and covering safeguard agreement in each case since December 1979.

Mr. Goodlad: Since the end of December 1979 a total of 1,500kg of plutonium in all forms has been exported for civil purposes. The countries to which plutonium has been exported in consignments larger than gramme quantities are as follows:

Belgium
Canada
France
Federal Republic of Germany
Japan
Switzerland
United States of America

Of this quantity some 1,234kg was derived from irradiated fuel imported and reprocessed by BNF plc under contract and returned to their overseas customer or to a country nominated by an overseas customer. Each country listed has a safeguards agreement with the International Atomic Energy Agency.

AGRICULTURE, FISHERIES AND FOOD

Butter Stores

Mr. McQuarrie asked the Minister of Agriculture, Fisheries and Food when he proposes to implement the European Economic Community Council of Ministers' decision to bring the payment on butter stores back to 90 days; and if he will make a statement.

Mr. MacGregor: I refer my hon. Friend to the reply given to my hon. Friend the Member for Penrith and the Border (Mr. Maclean) on Wednesday 26 June 1985, at column *403*.

Cow Fen, Cambridgeshire (Drainage)

Dr. David Clark asked the Minister of Agriculture, Fisheries and Food when he expects the grant-aided drainage scheme of the internal drainage board for Cow Fen at Swavesey, Cambridgeshire to commence; and when the contracts were signed.

Mrs. Fenner: I understand from the Anglian water authoriy that the tender for the pumping station and ancillary works was accepted on 21 June and that work is expected to commence on 8 July.

Fishing Offences

Dr. Godman asked the Minister of Agriculture, Fisheries and Food how many persons have been proceeded against for offences relating to illegal fishing at sea in each of the past five years; of what nationality these persons were; and what was the average penalty imposed.

Mr. MacGregor [*pursuant to his reply*, 4 July 1985]: The number of prosecutions by vessel nationality, for illegal fishing are as follows:

Vessel nationality and number of prosecutions

	1980	*1981*	*1982*	*1983*	*1984*
British	39	58	54	47	36
Belgian	—	3	2	—	—
Danish	2	8	2	6	2
Dutch	—	4	1	—	1
Faroese	—	—	—	1	1
French	3	10	1	3	1
German	—	2	—	—	—
Irish (Republic)	1	—	2	—	—
Norwegian	—	1	—	—	—
Spanish	3	9	6	2	12

Average penalties cannot readily be provided for all the years but in 1984 it was £2,796.

Written Answers to Questions

Monday 8 July 1985

CIVIL SERVICE

Parliamentary Commissioner for Administration

Sir Antony Buck asked the Minister for the Civil Service whether the Government accept the recommendations of the Select Committee on the Parliamentary Commissioner for Administration contained in its fourth report, Session 1983-84; and if he will make a statement.

Mr. Hayhoe: Yes. We plan to extend the jurisdiction of the Parliamentary Commissioner for Administration to include certain executive non-departmental public bodies and will introduce legislation in due course to amend the Parliamentary Commissioner for Administration Act 1967. Although the Select Committee found no evidence of any significant maladministration by any of the bodies recommended for inclusion in the PCA's jurisdiction, the Government agree that there is a case in principle for including certain non-departmental public bodies whose impact on citizens may be as significant as that of Government Departments. The Government's response is published today and has been laid before Parliament as a White Paper, Cmnd. 9563. Copies have been placed in the Libraries of both Houses.

PRIME MINISTER

Kincora Boys' Home, Belfast

Mr. Cohen asked the Prime Minister what representations she has received from Mr. Colin Wallace relating to investigations into the Kincora boys' home in Belfast; what request he has made in connection with giving evidence to the current inquiry headed by Mr. Justice William Hughes; what further action she has taken; and if she will make a statement.

The Prime Minister: It is not my practice to reveal the contents of correspondence sent to me by private individuals. I understand that, in view of the possibility that Mr. Wallace may have relevant evidence to give the committee of inquiry into children's homes and hostels in Northern Ireland, the committee approached Mr. Wallace through the governor of Her Majesty's prison, Lewes, with a view to an interview being arranged. Mr. Wallace has asked for certain assurances before the interview is held and I understand that these are being followed up by the committee. There are no grounds for any action on my part at this time.

EC (Own Resources)

Mr. John David Taylor asked the Prime Minister which Parliaments of the other nine member countries of the European Community have so far ratified the proposal to increase the own resources contribution to 1·4 per cent.

The Prime Minister: The necessary procedures have been started in most other member states, but have not yet been completed in any member state.

TRANSPORT

Diesel Fuel

Mr. Parris asked the Secretary of State for Transport whether he will have discussions with oil companies and public transport operators about the quality of diesel fuel available for motor vehicles.

Mrs. Chalker: Officials from my Department are already taking part in discussions of proposed revisions to the British standard for diesel fuel. The existing standard is observed voluntarily by the oil industry.

Vehicle Testing (Regulations)

Mr. Pawsey asked the Secretary of State for Transport whether he has made any assessment of the average cost to a small garage of meeting the new conditions of the vehicle testing regulations.

Mrs. Chalker: In view of the wide variation in size and layout of garage premises, it is not possible to make an average assessment.

Mr. Pawsey asked the Secretary of State for Transport pursuant to the reply of the Minister of State to the hon. Member for Rugby and Kenilworth on 2 July, concerning representations from garages concerning the new vehicle testing regulations, how many garages made representations; of these how many where in favour of the changes; and how many were against.

Mrs. Chalker: I have received approximately 170 representations, which equates to about 1 per cent. of the testing stations currently authorised. Most of these raised objections but some made favourable comments, particularly about the improved security arrangements.

Public Inquiries (Roads)

Mr. Cartwright asked the Secretary of State for Transport, pursuant to the answer to the hon. Member for Keighley (Mr. Waller) on 26 June, *Official Report*, columns *425-26*, about public inquiries on proposals for new or improved roads, if he will list the dates upon which each of the public inquiries referred to commenced.

Mrs. Chalker: The information requested is as follows:

Route	*Public Inquiry Opened*
M1-A1 Kirkhamgate-Dishforth	April 1983
A1 Clifton-Stannington Bridge	November 1984
A 3 Liphook and Petersfield Bypasses	February 1985
A 5 Telford-Shrewsbury	November 1984

Route	Public Inquiry Opened
A 10 Melbourn Bypass	November 1984
A 11 Thetford Bypass	March 1985
A 11 Wymondham-Cringleford	November 1984
A 12 Hackney Wick-M11 Link	February 1983 adjourned July 1983, resumed September 1983
A 12 Martlesham Bypass	February 1985
A 21 Robertsbridge Bypass	July 1984
A 23 Warninglid-Brighton	March 1985
A 35 Bridport Link Road	October 1984
A 35 Dorchester Bypass	February 1985
A 39 Barnstaple Bypass	October 1984
A 42 Castle Donington, North	April 1984
A 43 Brackley Bypass	December 1984
A 47 Eve Bypass	March 1985
A 47 Wardley Hill Improvement	April 1985
A 303 South Petherton-Broadway	March 1984
A 361 North Devon Link Stage IIA (Tiverton-Newtown)	January 1984
A 361 North Devon Link Stage IIB (Newtown-Barnstaple)	January 1985
A 406 Falloden Way-Finchley High Road	March 1983
A 406 Hanger Lane-Harrow Road	February 1984, adjourned to May 1984, adjourned to September 1984
A 406 Popes Lane-Western Avenue	December 1983
A 616 Stocksbridge-M1	October 1984
A 629 Airedale Route (Kildwick-Beechcliffe)	March 1984
A 629 Airedale Route (Victoria Park-Crossflats)	March 1984

Robertsbridge Bypass

Mr. Stephen Ross asked the Secretary of State for Transport when he expects to reach a decision following the public inquiry into the proposed Robertsbridge bypass.

Mrs. Chalker: I hope to announce a decision following the inquiry by the autumn.

Spray (Lorries and Coaches)

Sir David Price asked the Secretary of State for Transport what progress he is making in developing methods of reducing lateral and rear sprays from lorries and coaches driving in wet conditions.

Mrs. Chalker: My right hon. Friend made regulations last November which require new lorries and existing heavy trailers to be fitted with antispray devices conforming to the British standard BS AU 200, by various dates starting in May this year. These regulations are a first step, and my right hon. Friend will be ready to revise them in the light of technical progress. Buses are already fitted with comprehensive wheel guards and are not included in the scope of the regulations.

Sir David Price asked the Secretary of State for Transport how many road accidents in 1984 were attributed to wet road conditions, including lateral and rear sprays from lorries and coaches.

Mrs. Chalker: Details of accident causes and spray from vehicles are not identified in accident report. However, road surface conditions are recorded. Provisional figures show there were 81,827 accidents on wet or damp roads and 322 accidents on flooded roads in Great Britain during 1984.

Motorways (Drainage)

Sir David Price asked the Secretary of State for Transport what steps he is taking to ensure the better drainage of the carriageways of motorways.

Mrs. Chalker: Potential improvements in drainage are frequently considered and evaluated as part of the continuing process of developing better designs and construction methods. Currently, trials are in progress in an attempt to develop durable previous surfacings through which water can drain to the edge of the carriageways, thereby reducing spray from vehicles.

Marques (Investigation)

Miss Fookes asked the Secretary of State for Transport whether a date and venue has yet been arranged for the formal investigation into the loss of the sailing barque Marques; and whether a wreck commissioner has been appointed.

Mr. Ridley: Yes. The formal investigation will commence at 11 am on Monday 14 October 1985 in the New Continental hotel, Plymouth, and is expected to last approximately six weeks. The wreck commissioner will be R. F. Stone Esq., QC.

ATTORNEY-GENERAL

Judges (Retirement)

Mr. Kilroy-Silk asked the Attorney-General if he will list the dates on which each of the judges in the Court of Appeal, the Lord Chief Justice, the Master of the Rolls, the Vice-Chancellor and the head of the Family Division of the High Court have to retire.

The Attorney-General: The respective dates are as follows:

	Latest retirement date
Court of Appeal	
The Right Honourable The Lord Chief Justice of England	17 July 1993
The Right Honourable The Master of the Rolls	6 October 1995
The Right Honourable The President of the Family Division	6 May 1990
The Right Honourable The Vice-Chancellor	30 March 2005
Lords Justices	
The Right Honourable Lord Justice Lawton	21 December 1986
The Right Honourable Lord Justice Ackner	18 September 1995
The Right Honourable Lord Justice Oliver	7 March 1996
The Right Honourable Lord Justice Watkins, VC	18 November 1993

	Latest retirement date
The Right Honourable Lord Justice O'Connor	28 December 1989
The Right Honourable Lord Justice Fox	8 October 1996
The Right Honourable Lord Justice Kerr	1 March 1996
The Right Honourable Lord Justice May	28 June 1998
The Right Honourable Lord Justice Slade	2 June 2002
The Right Honourable Lord Justice Purchas	19 June 1994
The Right Honourable Lord Justice Goff	12 November 2001
The Right Honourable Lord Justice Dillon	2 October 2000
The Right Honourable Lord Justice Brown	3 October 1999
The Right Honourable Lord Justice Parker	25 February 1998
The Right Honourable Lord Justice Croom-Johnson, DSC, VRD	28 November 1989
The Right Honourable Lord Justice Lloyd	9 May 2004
The Right Honourable Lord Justice Neill	2 August 1998
The Right Honourable Lord Justice Mustill	10 May 2006
The Right Honourable Lord Justice Nourse	3 April 2007
The Right Honourable Lord Justice Glidewell	8 June 1999
The Right Honourable Lord Justice Balcombe	29 September 2000

British Nuclear Fuels (Prosecution)

Mr. D. E. Thomas asked the Attorney-General if he will prosecute British Nuclear Fuels plc. for contempt of court in respect of the exhibition staged by it at Windscale during the current trial of British Nuclear Fuels plc.; and if he will make a statement.

The Attorney-General: I understand the question as referring to the static exhibition which has been maintained at the premises of British Nuclear Fuels plc. for several years. I am satisfied that it does not provide any basis for proceedings for contempt against British Nuclear Fuels plc.

British Telecom Shares (Fraudulent Applications)

Mr. Gould asked the Attorney-General what progress has been made in bringing prosecutions against those who made fraudulent applications for BT shares.

The Attorney-General: The Director of Public Prosecutions expects to receive a report from the Metropolitan police shortly.

HOME DEPARTMENT

Supervision Orders

Mr. Kilroy-Silk asked the Secretary of State for the Home Department (1) how many specified activity requirements were included in supervision orders from *(a)* 1 July 1983 to 31 December 1983 and *(b)* 1 January 1984 to 30 June 1984;

(2) what proportion of offenders aged 14 to 16 years, inclusive, found guilty of indictable offences received specified activity requirements or suspension orders between *(a)* 1 July 1983 and 31 December 1983 and *(b)* 1 January 1984 and 30 June 1984;

(3) how many night restriction requirements were included in supervision orders between 1 July 1983 and 30 June 1984;

(4) how many charge and control conditions were made by courts between 1 July 1983 and 30 June 1984.

Mr. Mellor: The information available to me, which may be incomplete for those requirements infrequently used, was published in Home Office Statistical Bulletin, issue No. 12/85 "The Sentencing of Young Offenders under the Criminal Justice Act 1982: July 1983—June 1984".

Prison Population

Mr. Kilroy-Silk asked the Secretary of State for the Home Department (1) what has been the average weekly change in the prison population since 4 January;

(2) what has been the average weekly change in the prison population since Easter.

Mr. Mellor: Between 4 January and 28 June, the prison population rose by an average of 244 per week, which is equivalent to about 160 per week after allowing for normal seasonal variation. The average increase since Easter—5 April—has been 145 per week; this figure is not greatly affected by seasonal adjustment.

Pucklechurch Remand Centre

Mr. Kilroy-Silk asked the Secretary of State for the Home Department why the report of Her Majesty's Chief Inspector of Prisons investigation of Pucklechurch remand centre, completed on 6 August 1982, was not published until 27 June 1985; and if he will make a statement.

Mr. Mellor: This report was received in April 1984. It was one of a substantial backlog of inspection reports which had built up because of other pressing work—in particular, the Maze inquiry—and staffing difficulties in the Prisons Inspectorate during 1982 and 1983, when only five reports were received, and which were subsequently submitted to my right hon. and learned Friend during 1984, when 23 were received. Because of the increased number of reports requiring consideration, the interval between receipt and publication has been longer than we would have wished. Urgent steps are being taken by the Prison Department to clear the backlog.

Sexual Assaults

Mr. Chris Smith asked the Secretary of State for the Home Department if he will indicate the number of sexual assaults recorded by the Metropolitan police for each year since 1979, and subsequent clear-up rates.

Mr. Mellor: Details of the numbers of sexual offences recorded by the Metropolitan police are published annually in "Criminal Statistics, England and Wales, Supplementary Tables"—volume 3, table S3.1 of the issues for 1980 and 1983—and for the latest year 1984 were published in Home Office Statistical Bulletin, issue 6/85—table 6. I understand from the Commissioner of Police for the Metropolis that for all sexual offences the numbers and percentages of recorded offences cleared up are as given in the following table:

*Notifiable sexual offences recorded by the Metropolitan Police which were cleared up**

	Offences cleared up (Number)	*Clear up rate (Percentage)*
1979	1,420	52
1980	1,420	51
1981	1,240	47
1982	1,240	44
1983†	1,450	52
1984†	1,610	53

* Offences cleared up in one year may have been initially recorded in a previous year.

† Excludes for comparability offences of "gross indecency with a child".

Forensic Science Units

Mr. Hancock asked the Secretary of State for the Home Department what is the future of forensic science units within the United Kingdom and if he will make a statement.

Mr. Giles Shaw: The forensic science service plays a vital role in the criminal justice system and, while my right hon. and learned Friend is always prepared to consider proposals for improving its economy, efficiency and effectiveness, he has no present plans to change the way it is organised.

Probation Service

Mr. Kilroy-Silk asked the Secretary of State for the Home Department (1) what was the annual cost of supervising a probation order in the financial year 1983-84;

(2) what was the annual cost to the probation service of supervising an offender under a supervision order in the financial year 1983-84;

(3) what was the average cost of supervising a community service order in 1983-84.

Mr. Mellor: The information is published annually in "Probation Statistics, England and Wales" and the latest available information is for 1982-83, published in table 12.3 of the issue for 1983.

Departmental Staff

Mrs. Rumbold asked the Secretary of State for the Home Department what manpower reductions his Department has achieved in 1984-85.

Mr. Brittan: The position is as follows:

	Staff in post at 1 April 1984	*Staff in post at 1 April 1985*
Home Office other than Prison Department	9,369	9,252·5
Prison Department	27,077	27,360·5
Total	36,446	36,613

The increase in the Prison Department was due mainly to the recruitment of additional staff required to man new prison accommodation and for work arising from the reduction of the minimum qualifying period for parole.

Passports

Mr. Stanbrook asked the Secretary of State for the Home Department if any limitations are imposed on the issue of British passports to applicants whose British nationality status falls outside the definitions of British citizenship, British dependent territories' citizenship and British overseas citizenship.

Mr. Waddington: No. Passports issued to other British nationals—British subjects and British protected persons—have the same period of validity as those issued to British citizens and are valid for travel to all countries.

Drugs

Mr. Amess asked the Secretary of State for the Home Department whether Her Majesty's Government have ratified (i) the United Nations Single Convention on Narcotic Drugs 1961 or (ii) the United Nations Single Convention on Psychotropic Substances 1971; and if he will make a statement.

Mr. Mellor: The United Nations single convention on narcotic drugs 1961 was ratified by the United Kingdom on 2 December 1964. The Government intend to ratify the United Nations convention on psychotropic substances 1971 and we are now consulting trade and professional organisations on the changes that will be necessary to our domestic legislation before ratification can take place.

EC Passport

Mr. Robert Sheldon asked the Secretary of State for the Home Department what estimate he has of the cost of producing the proposed new European Community passport; and how this compares with the cost of producing the existing passport.

Mr. Waddington: The common EC format passport should cost no more to print and produce than the existing passport, the present cost of which is about £1·40.

Prison Population

Mr. Soley asked the Secretary of State for the Home Department what was the prison population on 28 June.

Mr. Mellor: Forty seven thousand, five hundred and eighty two, excluding 51 in police cells.

Drugs (Forensic Analysis)

Sir Brandon Rhys Williams asked the Secretary of State for the Home Department what is currently the time taken by the police forensic science laboratories to analyse samples of products suspected of containing cannabis, heroin and cocaine.

Mr. Giles Shaw: Information is not available on the time taken to complete analyses in different types of drug cases in either the six Home Office forensic science laboratories or the Metropolitan police laboratory. The average time currently taken in all drugs cases, of which cannabis, heroin and cocaine form the major part, varies as between laboratories from 17 to 32 days.

TRADE AND INDUSTRY

Air Pollution

Sir Hugh Rossi asked the Secretary of State for Trade and Industry if work at the National Physical Laboratory on the corrosion of metals by air pollutants has been started.

Mr. Butcher: I shall reply to my hon. Friend as soon as possible.

SEDCO 471

Mr. Dalyell asked the Secretary of State for Trade and Industry what estimate he has made of the industrial potential to the United Kingdom of participation in the SEDCO 471 ocean deep-drilling programme.

Mr. Butcher: The ocean drilling project is likely to lead to some opportunities for the development of drilling equipment, submersibles, sensors and other equipment which may be of wider application. Contracts for these will, however, be placed throughout the participating nations and the industrial benefits for any individual nation are likely to be limited.

Tobacco

Mr. Teddy Taylor asked the Secretary of State for Trade and Industry if he will publish a table showing the value of tobacco products imported from West Germany in each of the most recent 24 months, respectively, for which figures are availble.

Mr. Fletcher: The information is as follows:

	Value £000s
1983	
June	567
July	1,086
August	531
September	608
October	637
November	952
December	1,474
1984	
January	1,361
February	2,027
March	2,233
April	1,725
May	2,729
June	2,823
July	2,270
August	3,150
September	2,679
October	3,437
November	4,135
December	3,119
1985	
January	3,049
February	5,775
March	7,145
April	1,353
May	2,850

Source: data corresponding to SITC R2 Group 122 in the United Kingdom Overseas Trade Statistics.
Notes:
(i) imports are valued cif.
(ii) the value for May 1985 is an estimate.

EC (Trade Statistics)

Mr. Austin Mitchell asked the Secretary of State for Trade and Industry if he will publish in the *Official Report* a table showing for the United Kingdom and Germany the increase in imports from and exports to other European Economic Community countries of manufactures between the first quarter of 1979 and the latest available quarter in terms of European currency units; and if he will provide corresponding figures for trade with the rest of the world.

Mr. Fletcher: The information is as follows:

Exports of Manufactures Increase from 1979/4 st quarter to 1985 1st quarter*

Billion ECU'S

	United Kingdom		*Federal Republic of Germany*	
	Imports	*Exports*	*Imports*	*Exports*
Intra-EC	6·5	3·2	7·0	12·0
Extra-EC	6·5	5·3	8·1	14·4

* Standard International Trade Classification Section 5 to 8.
Sources: Eurostat Monthly External Trade Bulletin CRONOS

SCOTLAND

Salmon

Mr. Onslow asked the Secretary of State for Scotland how often in recent years his fisheries protection service has had requests from the Northumbrian water authority to assist in the regulation of the north east drift net fishery; and if he will make a statement.

Mr. John MacKay: There have been no such requests. In 1984, a Royal Navy vessel that normally undertakes salmon patrols off south-east Scotland was diverted from time to time to patrol the waters off the Northumbrian coast. That will be repeated this year.

Mr. Onslow asked the Secretary of State for Scotland what is his latest estimate of the effect of the north east drift net fishery on the rod and net catches of salmon grilse and sea trout in *(a)* the rivers Tweed, Forth and Tay and *(b)* the rivers South Esk, North Esk, Dee, Don, Ugie and Ytham; and how this is affecting the runs and stocks of migratory salmonids in each of these rivers.

Mr. John MacKay: The Department of Agriculture and Fisheries for Scotland estimates that the reported north-east coast fishery catch for 1983 of 77,277 fish included the following numbers of salmon and grilse returning to rivers in the stated districts:

Districts	*Numbers*
(a) Tweed, Forth and Tay	61,800
(b) South Esk, North Esk, Dee, Don, Ugie and Ythan	13,700

If one assumes an average rate of exploitation by all methods of about 25 per cent., the drift net fishery caused reductions in catches in the scottish rivers of 15,500 and 3,400 respectively. A substantial proportion of the balance would have escaped upriver to enhance the spawning stocks. Data for sea trout are not available.

Trees (Health Survey)

Sir Hugh Rossi asked the Secretary of State for Scotland when a full report of the results of the Forestry Commission's survey into the health of the nation's trees, announced on 12 March, will be published.

Mr. John MacKay: The Forestry Commission plans to publish a report on this survey in mid-August.

Scottish Office (Staff Car Park)

Mr. Ewing asked the Secretary of State for Scotland how many car parking spaces are reserved for Scottish Office staff at the St. James's centre car park, Edinburgh; what is the total annual cost; and how much is recovered.

Mr. Younger: Two hundred and four spaces are available to Scottish Office staff during working hours

from Monday to Friday. Responsibility for the provision of spaces and the related financial arrangements lies with my right hon. Friend the Secretary of State for the Environment. No charge is made to the staff who use the car park.

Edinburgh Dental Hospital

Mr. Strang asked the Secretary of State for Scotland, pursuant to his reply on 24 May, *Official Report*, column *583*, whether the further meeting on the future of the Edinburgh dental hospital has been held; and if he will make a statement.

Mr. John MacKay: The Scottish Home and Health Department has arranged to meet the university, the health board, and the University Grants Committee on 23 July.

Bridges (Privatisation)

Mr. Gordon Brown asked the Secretary of State for Scotland (1) if he will make a statement on his policy towards the privatisation of the Forth, Tay and Erskine road bridges;

(2) if he has had any discussions on the possibility of privatising the three toll road bridges in Scotland.

Mr. Ancram: The Forth and Tay road bridge joint boards, which are the responsible authorities for these two bridges, have made no proposals to me concerning their privatisation. My right hon. Friend has no present plans to privatise the Erskine bridge.

University of Aberdeen

Mr. McQuarrie asked the Secretary of State for Scotland, if he will seek to ensure that the future of the BSc (AGR) at the University of Aberdeen is not affected by the proposed cuts in research and development and advisory services; and if he will make a statement.

Mr. John Mackay [*pursuant to his reply*, 5 July 1985]: The Department of Agriculture and Fisheries for Scotland has issued a consultation document on the future of agricultural research and development in Scotland. A similar document on the future of the advisory services will be issued at a later date. Before decisions are taken, proper consideration will be given to any responses that are received on the effect of these proposals on agricultural education in Scotland.

THE ARTS

British Library (Cataloguing)

24. **Mr. Fisher** asked the Parliamentary Under-Secretary of State answering in respect of the Arts whether the Minister for the Arts intends to meet the chairman of the British Library to discuss the computerisation of the British Library's cataloguing.

Sir George Young: My noble Friend has no plans for such a meeting.

European Declaration on Cultural Objectives

25. **Mr. Murphy** asked the Parliamentary Under-Secretary of State answering in respect of the Arts if he will make a statement on the implementation of the European declaration on cultural objectives adopted in 1984 in terms of the arts.

Sir George Young: The Government support the Council of Europe's declaration on cultural objectives.

Arts Council

26. **Mr. Greenway** asked the Parliamentary Under-Secretary of State answering in respect of the Arts when the Minister for the Arts last met the chairman of the Arts Council; and what subjects were discussed.

Sir George Young: My noble Friend met the chairman of the Arts Council on 3 July, and they discussed topics of mutual interest.

Local Government Reform

27. **Mr. Tony Banks** asked the Parliamentary Under-Secretary of State answering in respect of the Arts what representations the Minister for the Arts has received following the Arts Council meeting of 29 May above the level of Government arts funding in the event of the abolition of the Greater London council and the metropolitan county councils.

Sir George Young: My noble Friend has received a small number of letters following the Arts Council's press statement about the level of funding and has said that he awaits the formal request from the Arts Council for funding for 1986-87.

Objects in Lieu of Tax

28. **Mr. Alan Howarth** asked the Parliamentary Under-Secretary of State answering in respect of the Arts if he is in a position to announce changes to the provision for acceptance by the nation of pre-eminent heritage items in lieu of taxation; and if he will make a statement.

Sir George Young: Consideration of the "in lieu" arrangements is in progress. A statement will be made in due course.

Northern Arts

29. **Mr. Dormand** asked the Parliamentary Under-Secretary of State answering in respect of the Arts what recent representations the Minister for the Arts has received from Northern Arts concerning the overall level of provision for the arts in the current financial year.

Sir George Young: My noble Friend has received no such representations recently.

National Heritage Act 1980

30. **Mr. Latham** asked the Parliamentary Under-Secretary of State answering in respect of the Arts whether he will make a statement on the operation of section 16 of the National Heritage Act 1980.

Sir George Young: The National Heritage Act 1980 enables Ministers to indemnify loans for exhibition purposes. The scheme is widely used and the rules governing it have not been changed.

ENERGY

Departmental Staff

Mrs. Rumbold asked the Secretary of State for Energy, what manpower reductions his Department has achieved in 1984-85.

Mr. Peter Walker: My Department reduced its manpower by a further 26 staff, from 1,098 to 1,072, in the period.

Emission Control

Sir Hugh Rossi asked the Secretary of State for Energy what new research is being undertaken in the United Kingdom supported by the Government, to develop new low pollution combustion techniques and emission control technologies.

Mr. Goodlad: Primary responsibility for developing new low pollution combustion techniques and emission control technologies rests with the industries concerned. The CEGB and NCB have substantial research programmes to investigate coal cleaning techniques, fluidised bed combustion and technologies for reducing emissions of sulphur dioxide and nitrogen oxides. Vehicle manufacturers are also developing lean-burn engines which will reduce nitrogen oxide emissions.

As part of this overall effort, my Department is financially supporting two joint studies. The first, involving the CEGB and NCB, is a design study of a power station based on a pressurised fluidised bed combustor using both gas and steam turbine generators. The second, which also involves BGC, is investigating a combined cycle using the British Gas-Lurgi slagging gasifier. Both concepts are aimed at reducing emissions of sulphur dioxide and nitrogen oxides.

Charles Darwin

Mr. Dalyell asked the Secretary of State for Energy what finance he makes available to the Natural Environment Research Council for the study of tectonic changes by scientists on royal research ship Charles Darwin; and what is his policy on financing long-term research on tectonic change.

Mr. Buchanan-Smith: My Department does not fund any study of tectonic changes by scientists on royal research ship Charles Darwin. However, my Department has contributed to the international phase of oceangraphic drilling and has offered support to the new ocean drilling programme.

Redundancy Payments

Mr. Ray Powell asked the Secretary of State for Energy if he will give details of redundancy payments available for opencast coal industry workers under article 56 of the Treaty of Paris.

Mr. David Hunt: Article 56.2*(b)* of the treaty empowers the Commission to provide certain non-repayable aids towards tideover allowances, payments to workers temporarily laid off, resettlement and vocational training.

Such aid depends upon undertakings in the coal or steel industries needing permanently to discontinue, curtail or change their activities as a result of fundamental changes in the market conditions of those industries. It will be provided, on application by a member Government, only if that Government are themselves contributing at least an equivalent figure.

EMPLOYMENT

Industrial Tribunals

Mr. Holt asked the Secretary of State for Employment what is the current salary paid to permanent chairmen of industrial tribunals; when this was last reviewed; and what was the percentage increase.

Mr. Peter Bottomley: The current salary paid to full-time chairmen of industrial tribunals (other than regional chairmen) is £28,500. This was last increased in 1984 following report No. 21 of the top salaries review body. The former salary of £26,750 was increased by 3 per cent. on 1 April 1984 and by a further 3·5 per cent. on 1 November 1984. In addition, a London weighting allowance, currently £1,300 is paid to chairmen serving in inner London. Chairmen's salaries have recently again been reviewed by the top salaries review body. Its report is at present being considered by the Government.

Mr. Holt asked the Secretary of State for Employment by how much the work load of industrial tribunals has been reduced as a result of the introduction of the new qualifying period.

Mr. Peter Bottomley: The workload of industrial tribunals has not yet reduced as a result of the recent change in the qualifying period for unfair dismissal claims. The change applies only to those commencing a period of continuous employment on or after 1 June 1985. The effect of any reduction in case load will not therefore begin to be felt until June 1986, and the full effect will not be felt until the second half of 1987.

Leisure Industries

Mr. Robert Banks asked the Secretary of State for Employment what advice his Department gives to the careers service on the job opportunities in the leisure industries.

Mr. Peter Morrison: The Department's guidance to local education authorities advises them to seek to ensure that careers officers establish good relationships with employers and their organisations, trade unions and training institutions in order to build up detailed knowledge of occupations and working environments, employment opportunities and training schemes. This applies to all fields of work including the leisure industries. If my hon. Friend knows of any particular problem I would be pleased to hear from him.

Small Businesses

Mr. John Browne asked the Secretary of State for Employment what specific measures he plans to undertake to ensure that his Department implements the proposals contained in the recent Department of Trade and Industry report on the scrutiny of administrative and legislative requirements in small businesses.

Mr. Peter Bottomley;: Since publication of the "Burdens on Business" report the Government has been considering action to carry forward this initiative and should be able to make its plans known shortly.

Labour Statistics

Mr. Baldry asked the Secretary of State for Employment in the following travel-to-work areas *(a)*

what percentage of those registered as unemployed are registered for work with the local jobcentre and *(b)* what further percentage it is estimated use the jobcentre self service system in Andover, Ashford, Aylesbury and Wycombe, Bicester, Cambridge, Crawley, Guildford and Aldershot, Harrogate, Heathrow, Hertford and Harlow, London, Medway and Maidstone, Milton Keynes, Oxford, Reading, Slough, Swindon, Watford and Luton, respectively.

Mr. Alan Clark: Those registered for work with the local jobcentres include a number of people seeking a change of employment and others who are not claiming unemployment benefit. Unemployed people are no longer required to register at the jobcentre as a condition of claiming benefit. Therefore it is not appropriate to express the number of jobseekers registered at jobcentres as a percentage of claimant unemployed. Information on registered jobseekers is only available for jobcentre areas which do not correspond to travel-to-work areas; and it is not readily possible to assess the number of jobseekers using only the self service facilities at jobcentres.

Mr. Robert Sheldon asked the Secretary of State for Employment how many people under 25 years of age in Tameside have never had a job since leaving school.

Mr. Alan Clark: The following information is in the Library. On 13 June 1985 there were 612 unemployed claimants aged 18 or younger in Tameside local authority district who had never had a job since leaving school. No information is separately available for those aged 19 and 20 years.

Mr. Ralph Howell asked the Secretary of State for Employment if he will list all the different categories of persons according to willingness and ability to work who are included in the overall unemployment figures.

Mr. Alan Clark: The monthly unemployment figures relate to those claiming unemployment benefit, supplementary allowances or national insurance credits at unemployment benefit offices. It is a condition of receipt of these benefits or credits that a person be unemployed and capable and available for work. In addition to the statutory conditions, the Department of Health and Social Security also has arrangements for reviewing those who have been unemployed for at least six months.

Mr. Robert B. Jones asked the Secretary of State for Employment how many people have registered as willing to work and given details of their skills and experience at the Hemel Hempstead jobcentre at the most convenient recent date; and what was the number of people registered unemployed for the purpose of benefit in the same area on the same date or most convenient date to the same date.

Mr. Alan Clark: On 7 June 1985, 937 jobseekers were registered at the Hemel Hempstead jobcentre. This figure includes some employed people seeking a change of employment and some unemployed people not claiming benefit. The number of unemployed persons claiming unemployment benefit, supplementary allowances or national insurance credits in the Hemel Hempstead jobcentre area on 13 June 1985 was 3,698. It is a condition of receipt of these benefits or credits that a person be unemployed and capable and available for work.

Mr. Sheerman asked the Secretary of State for Employment if he will show from the 1984 labour force survey the number of people in Great Britain who are economically active and *(a)* in employment, *(b)* unemployed and *(c)* others on Government training schemes, broken down (i) by ethnic origin and (ii) by age in five-year age bands.

Mr. Alan Clark: Information from the 1984 labour force survey is as follows:

(i) Economically Active Persons Aged 16 and over by Ethnic Origin: Great Britain Thousands

Ethnic Origin	In Employment	Unemployed	*Others on Government Schemes
White	22,147	2,642	53
Non-white, of which:	820	213	-
West Indian or Guyanese	221	66	•
Indian	313	56	•
Pakistani or Bangladeshi	83	44	•
Others*	202	46	•
All ethnic origins†	23,282	2,905	61

* Including African and mixed origin.
† Including those persons whose ethnic origin was not stated.
‡ Those persons on Government employment or training schemes who described themselves as employed or unemployed are counted as such; the remainder are in this category (apart from those on TOPS schemes who said they were neither working nor seeking work, who are classified as inactive).
• Sample size too small for reliable estimate.

(ii) Economically Active Persons Aged 16 and over by Age: Great Britain Thousands

Age	In Employment	Unemployed	*Others on Government Schemes
16-19	1,824	503	49
20-24	2,934	604	412
25-29	2,611	390	•
30-34	2,540	296	•
35-39	3,010	267	•
40-44	2,507	216	•
45-49	2,360	174	•
50-54	2,187	162	•
55-59	1,819	171	•
60-64	1,106	98	•
65+	385	24	•
All 16+	23,282	2,905	61

* Those persons on Government employment or training schemes who described themselves as employed or unemployed are counted as such; the remainder are in this category (apart from those on TOPS schemes who said they were neither working nor seeking work, who are classified as inactive).
† Aged 20 years and over.
• Sample size too small for reliable estimate.

Mr. Lilley asked the Secretary of State for Employment how many people have registered as willing to work, giving details of their skill and experience, at jobcentres covering St. Albans and Harpenden at the most recent convenient date; and how many people were registered as unemployed for the purpose of benefit in the equivalent area at the same date.

Mr. Alan Clark: On 7 June 1985, 597 jobseekers were registered at the St. Albans jobcentre and 124 jobseekers registered at the Harpenden jobcentre. This figure includes some employed people seeking a change of employment and some unemployed people not claiming benefit. The numbers of unemployed persons claiming unemployment benefit, supplementary allowances or national insurance credits in the St. Albans and Harpenden jobcentre areas on

13 June 1985 were 2,233 and 668 respectively. It is a condition of receipt of these benefits or credits that a person be unemployed and capable and available for work.

Job Release Scheme

Mr. Henderson asked the Secretary of State for Employment if he has any plans to reduce the qualifying age for the job release scheme to 55 years; and if he will make a statement.

Mr. Alan Clark: We have no plans at present to reduce the qualifying age for the job release scheme. The scheme, in common with all employment measures, is kept under review.

Disabled People

Mr. Ashley asked the Secretary of State for Employment what statistics are being collected to monitor the code of good practice on the employment of disabled people.

Mr. Alan Clark: A variety of statistics to monitor the promotion of the code of good practice is being collected by the Manpower Services Commission on a quarterly basis. These include the number of copies of the code issued; types of organisation to whom it was issued; and the number of visits to employers by the disablement advisory service. Monitoring of employers' first reactions to the code is currently being undertaken and some preliminary results should be available later this year. A full, in-depth evaluation of the code's effectiveness will be made after about two years.

Mr. Ashley asked the Secretary of State for Employment if he will make a statement on the reasons for the lack of figures available on the number of unemployed disabled people after 1982; and if he has considered ways in which reliable statistics can be collected.

Mr. Alan Clarke: As foreshadowed in the September 1982 *Employment Gazette*, with the removal of the compulsory requirement to register for employment as a condition for the receipt of unemployment benefits in October 1982, it became no longer possible to collect statistics of unemployed disabled people on the same basis that had previously applied. However, figures on the numbers and characteristics of unemployed disabled people who choose to register for employment continue to be collected in jobcentres. These figures are published in the *Employment Gazette* each month.

The Government decided that in addition it needed to know regularly how many other unemployed disabled people there might be. The labour force survey would be used for this purpose, and first results were published in the article "Labour Force Surveys: preliminary results for 1984" in the May 1985 issue of the *Employment Gazette*. These new figures are based on a self-assessment of health problems and disability, and cannot therefore be compared directly with earlier series.

Mr. Ashley asked the Secretary of State for Employment how many employers are subject to the disabled persons quota; of these what percentage meet the quota; what percentage has been issued with permits within the last 12 months and what percentage with bulk permits; and what percentage is below the quota but has not been issued with permits.

Mr. Alan Clark: On 1 June 1984, the latest date for which information is available, 36,680 employers were subject to the provisions of the quota scheme, of which 30·3 per cent. employed the full quota of registered disabled people. A further 51·2 per cent of this total were below quota but had been issued with permits during the previous 12 months, 49·9 per cent. with bulk permits. The remaining 18·5 per cent. of employers were below quota and had not been issued with permits. However, these were not necessarily breaking the law unless they had engaged other than registered disabled people in the period.

Mr. Ashley asked the Secretary of State for Employment what is the number of disabled people who are in *(a)* section I and *(b)* section II who, during 1984-85, have been placed in employment by (i) disablement resettlement officers and (ii) mainstream advisers; and what these figures are as a percentage of total jobcentre placements.

Mr. Alan Clark: The information requested is as follows:

Disabled people placed during 1984-85

	Number	*Percentage*
(i) by Disablement Resettlement Officers (as percentage of total jobcentre placements):		
Section I	18,594	0·9
Section II	3,350	0·2
(ii) by Mainstream advisers (as percentage of total jobcentre placements):		
Section I	26,153	1·3
Section II	291	0·01

In addition it is estimated that 23,400 disabled people (1·2 per cent. of the total) were placed through jobcentre self service facilities.

Income

Mr. Sheerman asked the Secretary of State for Employment if he will estimate for the latest available date the total known annual amount of income received by individuals and of this how much is paid *(a)* in wages and salaries to employees, *(b)* through other forms of remuneration deriving from employment, *(c)* from the profits of or remuneration of self-employment, *(d)* by way of interest, dividends and other benefits of investments, *(e)* in non-state pensions, annuities, and similar payments, *(f)* in social security benefits including the remission of rent or rates through housing benefit, free prescriptions, and similar remissions and *(g)* in any other way.

Mr. Peter Bottomley: The most recent comprehensive information on the sources of gross income received by individuals in private households is given in table 21 of the report on family expenditure survey for 1983. A copy is in the Library.

Family Expenditure

Mr. Gordon Brown asked the Secretary of State for Employment if he will provide the most recent available estimates from the family expenditure survey on average expenditure of (i) all households and (ii) households with incomes below £150 per week on fuel, light and power, food, clothing and footwear, and durable household goods

for the following household types *(a)* single person, *(b)* married couple, *(c)* married couple with one child, *(d)* married couple with two children, *(e)* married couple with three children and *(f)* three adult household; and if he will also update these estimates to May 1985 and November 1985 using the retail price index and Government assumptions or projections for price movements.

Mr. Alan Clark: I shall reply to the hon. Member as soon as possible.

AGRICULTURE, FISHERIES AND FOOD

Aujeszky's Disease

Sir Anthony Grant asked the Minister of Agriculture, Fisheries and Food how many representations his Department has received in the last 12 months on the question of Aujeszky's disease.

Mrs. Fenner: My Department received about 110 representations on this subject in the last 12 months.

Departmental Staff

Mrs. Rumbold asked the Minister of Agriculture, Fisheries and Food what manpower reductions his Department has achieved in 1984-85.

Mr. Jopling: There were 103 fewer staff in my Department on 1 April 1985 as compared with 1 April 1984.

Register of Fish Farms

Mr. Onslow asked the Minister of Agriculture, Fisheries and Food whether members of the public will have any access to the register of fish farms which he proposes to establish under the Diseases of Fish Act 1983.

Mr. MacGregor: Section 9 of the Diseases of Fish Act 1983 places very strict limits on the disclosure of specific information gained through registration, which would preclude the disclosure of such information to members of the public without the written consent of the persons by whom the information was provided.

Food Labelling

Mrs. Renée Short asked the Minister of Agriculture, Fisheries and Food what discussions he proposes to have with other European Economic Community Agriculture Ministers about the implementation of his proposals regarding nutritional labelling of foods; and if he will make a statement.

Mr. Fenner: Copies of the statement of my right hon. Friend of 12 March together with copies of the draft guidelines on nutrition labelling have been circulated at official level to all member states. We will consider whether further action is appropriate when all responses have been received.

Agricultural Support

Mr. Ralph Howell asked the Minister of Agriculture, Fisheries and Food if he will publish in the *Official Report* a table showing *(a)* the amount spent on agricultural support in the United Kingdom under the common agricultural policy and by national grants and subsidies and *(b)* the expenditure on agricultural support as a percentage of the gross domestic product, for the years 1960-61, 1970-71, 1980-81, 1981-82, 1982-83, 1983-84 and 1984-85, respectively.

Mr. MacGregor: The information requested is as follows:

	Financial year						
	1960-61	*1970-71*	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*
Expenditure on agricultural support under the CAP and on national grants and subsidies (£ million)	263	257	1,012	972	1,433	1,729	*1,780
Gross domestic product at current market prices (£ million)	26,180	52,786	237,373	259,803	283,855	305,708	327,000
Expenditure on agricultural support as a percentage of GDP (per cent.)	1·00	0·49	0·43	0·37	0·50	0·57	0·54

* Forecast.

Source: Expenditure—Annual Review of Agriculture White Paper series.
Gross domestic product—Economic Trends Annual Supplement 1985 for the years up to 1983-84 and for 1984-85 Table 2.4 of the Financial Statement and Budget Report 1985-86.

Note: These figures exclude some other areas which might be designated as agricultural support—R and D, departmental administration, ADAS, animal health measures—which it is not possible to extract on the same basis as before.

European Community (Agriculture Budget)

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food what will be the maximum amount expendable under the European Economic Community budget in 1986 on agriculture as a percentage of the total budget under the new rules; and how this compares with the actual percentage in each of the past five years and the current year.

Mr. Jopling: If the hon. Member is referring to the financial guideline which applies to expenditure from the guarantee section of the European agricultural guidance and guarantee fund, excluding fisheries, the Commission has estimated that maximum permitted expenditure under the guideline in 1986 will be 20·6 billion ecu. This represents 59 per cent. of the total expenditure the Commission intends to propose in its preliminary draft budget for 1986. The percentage shares of total budget taken by this expenditure since 1980 are as follows:

	percentage
1980	69
1981	62
1982	61
1983	65
1984 supplementary and amending budget No. 1	67
1985 Budget	70

European Community (Farm Structures)

Mr. Neil Thorne asked the Minister of Agriculture, Fisheries and Food if he will make a statement about his plans to implement the European Community farm structures regulation No. 797/85.

Mr. Jopling: We have today laid before the House three statutory instruments which will implement this regulation. The Agriculture Improvement Regulations 1985 will, if adopted by Parliament, govern from 1 October the payment of farm capital grants for which part funding is available from the EC. Grants under these regulations will be paid to eligible farmers on a broad range of agricultural investments at basic rates of 15 per cent. in the lowlands and 30 per cent. in less-favoured areas; on tourism and craft works in hill areas at 25 per cent.; and on environmental improvements at 30 per cent. in the lowlands and 60 per cent. in the less-favoured areas. Young farmers under the age of 40 may qualify for increased rates of grant. The agriculture improvement scheme 1985 will from 1 October 1985 provide nationally funded grants for environmental works, including, for the first time, poultry waste disposal facilities, and, in fulfilment of a continuing Government commitment, for horticulture. The scheme also closes the agriculture and horticulture grant scheme 1980 to expenditure incurred after today and specifies deadlines for grant claims. In most cases, the deadline is December 1985, but for some land improvement works and for orchard replanting this is extended to 1988. The Agriculture and Horticulture Development (Amendment) Regulations 1985 amend grant rates under the Agriculture and Horticulture Development regulations 1980 for new applications received between now and 1 October. The new rates under these regulations are, in general, those which will apply under the new arrangements from 1 October.

WALES

Anglesey (A5 Bypasses)

7. **Mr. Best** asked the Secretary of State for Wales what is the current state of the investigation by consultants into routes for bypasses around the five villages on the A5 on Anglesey; when he expects to receive a final report; and if he will make a statement.

Mr. John Stradling Thomas: The consultants are making good progress with their investigations and I still expect to receive their final report by the end of the year.

Housebuilding

13. **Mr. Anderson** asked the Secretary of State for Wales what has been the actual percentage reduction in the net central Government expenditure on housebuilding in Wales between 1979-80 and the latest available date.

Mr. Wyn Roberts: It is not possible to answer the question in the form put by the hon. Gentlemen. Public sector housing is primarily the responsibility of local authorities and the Housing Corporation and it is for them to decide what proportion of their total resources to devote to house building.

Courtaulds Plant, Greenfield (Closure)

14. **Mr. Raffan** asked the Secretary of State for Wales if he will make a statement on progress of Government measures to help the people of Delyn following the closure of the Courtaulds plant at Greenfield.

Mr. Nicholas Edwards: Discussions are currently taking place between my Department, the local authorities and the other agencies involved about the detailed allocation of planned resources including those I announced on 27 June. I hope that the local authorities can put forward final proposals within a very few days in order that the earliest possible start can be made.

Welsh Development Agency

15. **Mr. Rogers** asked the Secretary of State for Wales if he will give details of the future plans of the Welsh Development Agency.

Mr. Nicholas Edwards: The future plans of the Welsh Development Agency are outlined in its published corporate plan, a copy of which is available in the Library.

Treforest Polytechnic

16. **Mr. Terlezki** asked the Secretary of State for Wales how many students in the polytechnic in Treforest received first class honours, 2A, 2B or 3rd degrees in marketing and marketing research in 1975, 1980 and 1984.

Mr. John Stradling Thomas: The polytechnic of Wales offers a post-graduate course in marketing. It does not, however, offer a first degree course in marketing or market research.

Hospital Development Schemes

17. **Mr. Grist** asked the Secretary of State for Wales if he will enumerate those major hospital development schemes currently under way and at the planning stage in Wales.

Mr. Wyn Roberts: Work is currently in progress on the following hospital projects:

Wrexham Phase I
Bridgend Phase I (Princess of Wales)
Morriston Phases I and II
Ystradgynlais Community Hospital
St. Tydfil's
Bryntirion, Llanelli
Prince of Wales, Rhydlafar
Llandudno Phase I

Seventeen other projects are in planning and are as follows:

Major Hospital Developments in Wales in Progress or in Planning

1. District General Hospitals in Planning
Llandough
Royal Gwent Phase VI
Morriston Phases III and IV—including regional burns and plastic surgery unit
Singleton Phase III
Neath General—Redevelopment
Ysbyty Glan Clwyd Phase II

Wrexham Phase II
Prince Charles Development, Gurnos
East Glamorgan—Development
Bridgend Phases II and III
University Hospital of Wales — Regional Cardiac and Regional Genetics Centre

2. Other Hospitals in Planning
Llanelli New Hospital
Tonna—Redevelopment
Llwynypia—Redevelopment
Deeside Community Hospital
West Mon Community Hospital (replacement of Valley Hospital)
Garth Angharad (Regional Secure Unit)

Labour Statistics

18. **Mr. Wigley** asked the Secretary of State for Wales what is the number of persons in Wales aged under 21 years who have been unemployed for over 12 months.

Mr. Nicholas Edwards: The information is not available in the precise form requested. In April 1985, for those aged under 20 years the figure was 6,647.

South Cardiff Redevelopment Scheme

19. **Mr. Gwilym Jones** asked the Secretary of State for Wales if he will make a statement on the progress of the South Cardiff redevelopment scheme.

Mr. Nicholas Edwards: The next step is a decision on the inspector's report following the public inquiry into compulsory purchase orders for land needed for the development which will be available very shortly. I will announce my decision on that report as quickly as possible.

Local Authority Expenditure

Mr. Best asked the Secretary of State for Wales if he will estimate local government expenditure in Wales for 1985-86; what restrictions, if any, he intends to impose on capital expenditure by local authorities; if he will review the percentage of capital receipts which can be spent by local authorities; and if he will make a statement.

Mr. Nicholas Edwards: Local authorities have budgeted to spend £1,323 million on current account in 1985-86, about 1 per cent. more than the level of provision underlying the rate support grant settlement for the year. Allowing for the normal degree of shortfall on budgeted capital spending, and the tendency for budgets to understate the final level of receipts, the latest statistical returns suggests that local authority net capital spending in Wales in 1985-86 will be of the order of £265 million, about 5 per cent. more than the Government's control total.

In the light of this forecast I have no plans to restrict the level of capital spending during the course of the year, or to revise the proportion of receipts which authorities can use to enhance the spending power of their capital allocations. The situation will be closely monitored. If in the event there is an overrun on the cash limit it would be met from the reserve of £5 billion, and would not therefore add to the planned total of public expenditure.

Enterprise Trusts and Agencies

Mr. Best asked the Secretary of State for Wales what information he has as to the location of all enterprise trusts or agencies which have been established in Wales and as to any plans for the creation of any new ones.

Mr. Nicholas Edwards: Twelve local enterprise trusts are currently operating in Wales at the following locations: Deeside, Delyn, Clwyd Fro (West Clwyd), Powys, Newport, Llanelli, West Glamorgan, Cardiff, Neath, Pembroke, Merthyr and Ogwr. There are currently plans to establish a local enterprise trust in the Rhymney Valley and to introduce the enterprise movement into the Cynon Valley.

Young Mentally Handicapped Persons

Mr. Wigley asked the Secretary of State for Wales if he will list those long-stay hospitals in Wales which have resident in them young mentally handicapped persons under the age of 16 years; and what is the number of such persons at each hospital and the date when that hospital last admitted such a person.

Mr. Wyn Roberts: Provisional estimates of the numbers of persons aged under 16 years who were resident in mental handicap hospitals and units on 5 April 1985 are contained in the following table. Information as to the date when a hospital/unit last admitted a person aged under 16 years is readily available only in respect of admissions during the period January 1975 to April 1985.

Hospital Unit	*Number of residents aged under 16 years*	*Date when hospital unit last admitted a person aged under 16 years*
Broughton	7	26 April 1985
Coed du Hall	—	1974 or earlier
West Wales General	9	29 April 1985
Allt-y-Mynydd	—	26 April 1985
South Pembrokeshire	5	26 April 1985
County, Griffithstown	—	1974 or earlier
Llanfrechfa Grange	5	23 August 1984
Bryn-y-Neuadd	7	7 April 1985
Llwyn View	—	1974 or earlier
Garth Angharad	—	1974 or earlier
Cefn Hirgoed	—	12 January 1983
Hensol	4	4 April 1985
Ystrad Mynach	2	29 April 1985
Bronllys	1	4 April 1985
Brynhyfryd	—	19 July 1980
Llys Maldwyn	—	27 April 1985
Ely	3	27 March 1985
Gorseinon	—	27 August 1982
Llwyneyr	—	25 November 1983
Drymma Hall	—	1974 or earlier

MV Bridgeness (Oil Pollution)

Mr. D. E. Thomas asked the Secretary of State for Wales (1) what is his latest estimate of the numbers of seabirds, and the amount of coastline affected by oil pollution as a result of the disaster involving the MV Bridgeness;

(2) what is his latest estimate of the effects of oil pollution on the Welsh coast following the MV Bridgeness accident; and if he will make a statement.

Mr. Wyn Roberts: The latest estimate given by the Nature Conservancy Council is that about 2,500 seabirds

have been affected by oil following the MV Bridgeness incident on 16 June. More accurate figures will be available later as a result of continuing coastal surveys.

Oil from the MV Bridgeness had affected he shores of the islands off the South West Wales Coast to some degree. On Friday, 28 June, oil possibly from the MV Bridgeness had come ashore on beaches in Mid and the Northern half of Cardigan Bay and subsequently in Caernarfon Bay — extending from Borth in Dyfed to Treaddur Bay on Anglesey. Quantities are very small however except at Barmouth, where the groynes and sea walls have been contaminated. The local authorities are cleaning the beached oil as quickly as they are able and technical assistance is being provided by the Marine Pollution Control Unit of the Department of Transport. Aerial surveillance has shown that there is no further oil off shore.

OVERSEAS DEVELOPMENT

St. Helenians (United Kingdom Courses)

Dr. Marek asked the Secretary of State for Foreign and Commonwealth Affairs what information he has as to the number of St. Helenians at present attending educational, vocational and other training courses in the United Kingdom; and for what qualifications.

Mr. Raison: At present eight St. Helenians financed through the British aid programme are attending courses in this country. One is studying for GCE 'A' levels; and four are on vocational courses (midwifery, nursing, dentistu7ry, and medical laboratory services) leading to recognised qualifications. The remaining three are on special programmes in education and fisheries. In addition, in the current year, four students returned to St. Helena on completion of their courses; five more are due to arrive at the start of the next academic year; and a further 23 applications for training awards are under consideration.

UNESCO

Mr. Key asked the Secretary of State for Foreign and Commonwealth Affairs (1) how much the United Nations Educational, Scientific and Cultural Organisation contributed towards technical support for selected national institutions with a view to developing prototype curricula for health education at school and related teacher training in 1984-85; and how much it is intended that the United Nations Educational, Scientific and Cultural Organisation will contribute in 1985-86 and 1986-87;

(2) how much the United Nations Educational Scientific and Cultural Organisation contributed towards contracts with institutions for pilot activities aimed at introducing into literacy activities for young people and adults, and educational dimension relating to population problems and drug abuse prevention in 1984-85; and how much it intends to contribute in the years 1985-86 and 1986-87;

(3) how much the United Nations Educational, Scientific and Cultural Organisation contributed towards *(a)* the organisation of training activities aiming to include in educational curricula and non-formal educational activities interdisciplinary content relating to drug abuse prevention, and *(b)* the publication of an appraisal of activities undertaken by certain member states in education and communication to combat the use of narcotics and prevent drug abuse in 1984-85; and how much it is intended that the United Nations Educational, Scientific and Cultural Organisation will contribute for the years 1985-86 and 1986-87;

(4) how much the United Nations Educational, Scientific and Cultural Organisation contributed towards operational projects to further the inclusion in general educational curricula and in non-formal educational activities of subject matter relating to problems connected with the quality of life, the environment and nutrition education in 1984-85; and how much it is intended that the United Nations Educational, Scientific and Cultural Organisation will contribute for the years 1985-86 and 1986-87;

(5) how much the United Nations Educational, Scientific and Cultural organisation contributed towards the development of Palestine university institutions in the occupied Arab territories in 1984-85; and how much it is intended that the United Nations Educational, Scientific and Cultural Organisation will contribute for the years 1985-86 and 1986-87;

(6) how much the United Nations Educational, Scientific and Cultural Organisation contributed towards consultancy services to assist in setting up a scholarship fund for students from the occupied Arab territories in 1984-85; and how much it is intended that the United Nations Educational, Scientific and Cultural Organisation will contribute for the years 1985-86 and 1986-87;

(7) how much the United Nations Educational, Scientific and Cultural Organisation contributed towards further training fellowships for the teaching staff of universities in the occupied Arab territories, and to the supply of teaching materials and equipment for these universities in 1984-85; and how much it is intended that the United Nations Educational, Scientific and Cultural Organisation will contribute for the years 1985-86 and 1986-87;

(8) how much the United Nations Educational, Scientific and Cultural Organisation contributed towards the supply of educational material and equipment for the education centres of African national liberation movements, and the organisation of seminars with a view to improving the training of the staff of the centres in 1984-85; and how much it is intended that the United Nations Educational, Scientific and Cultural Organisation will contribute for the years 1985-86 and 1986-87;

(9) how much the United Nations Educational, Scientific and Cultural Organisation contributed to fellowships for students sponsored by African national liberation movements and students presented by the Palestine Liberation Organisation in 1984-85; and how much it is intended that the United Nations Educational, Scientific and Cultural Organisation will contribute for the years 1985-86 and 1986-87;

(10) how much the United Nations Educational, Scientific and Cultural Organisation contributed towards the cost of printing school textbooks for the education centres of African national liberation movements in 1984-85; and how much it is intended that the United Nations Educational, Scientific and Cultural Organisation will contribute for the years 1985-86 and 1986-87;

(11) how much the United Nations Educational, Scientific and Cultural Organisation subsidised the publication of African poems and other activities decided upon with those responsible for education in African

national liberation movements with a view to helping to preserve their cultural indentity in 1984-85; and how much it is intended that the United Nations Educational, Scientific and Cultural Organisations will contribute for the years 1985-86 and 1986-87;

(12) how much the United Nations Educational, Scientific and Cultural Organisation contributed towards informing public opinion about the assistance it provided in the implementation of education projects of African national liberation movements in 1984-85; and how much it is intended that the United Nations Educational, Scientific and Cultural Organisation will contribute for the years 1985-86 and 1986-87.

Mr. Raison [*pursuant to his reply*, 10 May 1985, c. 529]: As the information is rather detailed I wrote to my hon. Friend on 8 July and have placed a copy of the letter in the Library.

ENVIRONMENT

Anti-fouling Paint

Mr. Kilroy-Silk asked the Secretary of State for the Environment what information he has as to the nature of the research done in the United States of America which indicates that species diversity may be affected by the tributyl tin from anti-fouling paint; and if he will place a copy of the relevant papers in the Library.

Mr. Waldegrave: I understand, from informal discussions at official level, that studies on behalf of the US Navy Department have been carried out on natural populations of marine organisms exposed to low levels of organotin compounds in large sea water enclosures; and that a selective loss of species occurred, indicating that one effect in the environment is likely to be a loss of species diversity. No papers are available but a report may be published soon and, if so, I shall arrange for a copy to be placed in the Library of the House.

Local Government Reform

Mr. Shersby asked the Secretary of State for the Environment what will be the qualifications for the membership of the statutory joint committees for planning matters in Greater London.

Mr. Macfarlane: The Local Government Bill will require local planning authorities in Greater London to establish a single joint planning committee before the abolition date. Its membership will be for the planning authorities themselves to decide.

Housing Survey

Mr. Cohen asked the Secretary of State for the Environment what proposals he has to alter the criteria for qualifications as unfit under the next national Department of the Environmental housing survey; and if he will make a statement.

Sir George Young: The 1986 English house condition survey will be designed to allow comparability with the results of the 1981 survey and it will measure stock condition against the same standard of fitness. We also hope to assess the effect of any revised fitness standard which may be adopted following current consultation on the proposals in the Green Paper on improvement policy, Cmnd. 9513.

Wild Birds

Mr. Kilroy-Silk asked the Secretary of State for the Environment whether the last annual report sent to the European Commission by his Department, as required by directive 79/409 on the conservation of wild birds, on the implementation of the directive in the United Kingdom, reported the numbers of *(a)* herons, *(b)* cormorants, *(c)* goosanders, *(d)* red-breasted mergansers, *(e)* grey geese and *(f)* barnacle geese killed in Scotland under a licence granted to prevent serious damaged to crops and so on; and if, in each case, it was reported whether the licence had been granted after a site investigation by Nature Conservancy Council officials.

Mr. Waldegrave: The last annual report on derogations under article 9 of EC directive 79/409 was submitted to the Commission last November and covered the calendar year 1983. It showed birds killed or taken under licence and the purpose for which each licence was granted. A copy of the report was placed in the Library.

The report does not show whether the Nature Conservancy Council carried out a site investigation for any particular licence. Current practice is to carry out such investigations when licence applications are received relating to herons and to barnacle geese on certain farms on Islay.

In other cases, monitoring is carried out on the basis of information made available to Ministry of Agriculture and Fisheries staff in the course of their duties, including reports of action furnished by licensees.

Departmental Staff

Mrs. Rumbold asked the Secretary of State for the Environment what manpower reductions his Department has achieved in 1984-85.

Mr. Patrick Jenkin: Numbers of staff in the Department of the Environment, including the Property Services Agency, have fallen from 33,836 at 1 April 1984 to 32,791 at 1 April 1985, a reduction of 1,045 or 3 per cent.

Anglers' Weights

Mr. Colin Shepherd asked the Secretary of State for the Environment when he expects to make a statement on the Nature Conservancy Council's findings on the subjects of anglers' lead weights and the lead poisoning of swans.

Mr. Waldegrave: I expect to make a statement very shortly.

Air Pollution

Sir Hugh Rossi asked the Secretary of State for the Environment how much he expects to spend on air pollution research in 1985-86; and how this compares with expenditure in 1984-85.

Mr. Waldegrave: My Department expects to spend about £3·4 million on air pollution research in 1985-86, compared with expenditure of £1·9 million in 1984-85.

Sir Hugh Rossi asked the Secretary of State for the Environment what were the results of the Government's consideration of the need to set up a research programme into causes and control of reductions in atmospheric visibility.

Mr. Waldegrave: Visibility impairment is one of several consequences of photochemical activity in the atmosphere. These consequences are best considered as a whole. An expert group is being set up to review the evidence about the problem, both in the United Kingdom and elsewhere, and the current relevant research, including that covered in my Department's own programme. I expect the group to report in two years' time.

Acid Rain

Sir Hugh Rossi asked the Secretary of State for the Environment what are the latest figures for United Kingdom emissions of sulphur dioxide, how these compare with figures for the last five years; and what estimate he has made of the percentage reaching other countries.

Mr. Waldegrave: In 1983, the latest year for which figures are available, it is estimated that United Kingdom sulphur dioxide emissions were 3·69 million tonnes, representing reductions of some 31 per cent., 21 per cent. 13 per cent. and 9 per cent. on the 1979, 1980, 1981 and 1982 figures respectively. Estimates of emissions for 1984 will be available shortly.

As set out in the table to section III of my Department's memorandum of evidence to the Environment Committee, the co-operative programme for monitoring and evaluation of the long-range transmission of air pollutants in Europe —EMEP—has estimated that, in the period October 1978 to September 1980, some 28 per cent. of United Kingdom sulphur dioxide emissions were deposited in other countries. Work is in progress within EMEP to update the model on which this estimate is based.

Sir Hugh Rossi asked the Secretary of State for the Environment what steps are being taken to achieve the Government's aim of a 30 per cent. reduction in sulphur dioxide emissions by the end of the 1990s.

Mr. Waldegrave: The Government expect the downward trend in sulphur dioxide emissions since 1970 to continue in the longer term, through the expansion of our nuclear generation capacity, the introduction, as they become available, of new cost-effective technologies for cleaner and more efficient fuel combustion, improved efficiency in the use of energy, and further changes in the pattern of energy usage.

Sir Hugh Rossi asked the Secretary of State for the Environment what progress has been made by the building research establishment in preparing an inventory of the different locations, amounts of materials and types of buildings within the United Kingdom which are likely to be at risk from acid rain.

Mr. Waldegrave: This is a large task. Good progress is being made. We expect to have preliminary findings in the spring of 1986.

Sir Hugh Rossi asked the Secretary of State for the Environment what stage has been reached in the discussions with the University of Manchester institute of science and technology regarding a programme on the interaction of air pollutants with building materials, with special emphasis on nitrogen oxides.

Mr. Waldegrave: A three-year contract has been let to UMIST. This work will supplement the BRE in-house laboratory-site work programme on the effects of air pollutants.

Sir Hugh Rossi asked the Secretary of State for the Environment (1) if, following the results revealed in the initial survey by the Property Services Agency of atmospheric attack on buildings, the extended survey envisaged has yet been completed;

(2) what progress has been made by the Property Services Agency in monitoring for damage a selection of buildings constructed of different materials.

Mr. Waldegrave: The extended survey is covering buildings of different materials, and preliminary results will be made available to the House before the summer of 1986.

Sir Hugh Rossi asked the Secretary of State for the Environment what progress has been made with the study of damage to natural stonework in Bolsover abbey.

Mr. Waldegrave: I believe that my hon. Friend is referring to Bolsover castle—the Government's White Paper, Cmnd. 9397 incorrectly referred to Bolsover abbey —which is in the care of the Historic Buildings and Monuments Commission. Some of this monument's stonework has been treated successfully in the past with Brethane, but in response to some further discoloration, the Commission has installed monitoring equipment to measure the effects of atmospheric pollution. I shall ask the commission to inform my hon. Friend of the results of these tests when they have been completed.

Sir Hugh Rossi asked the Secretary of State for the Environment what stage has been reached in the building research establishment programme for assessing the costs and benefits of preventing the avoidable erosion of historic and modern buildings; and when the programme is expected to be completed.

Mr. Waldegrave: To undertake a cost benefit analysis, it is first necessary to quantify the area of materials at risk and to determine the rates of erosion of materials. An inventory of buildings is, therefore, being carried out, and a programme of research on the dose response of building materials will commence shortly at BRE. Meanwhile, BRE continues to assess preservative treatments. The costing of benefits is especially difficult and it is, as yet, too early to say when the programme will be completed.

Sir Hugh Rossi asked the Secretary of State for the Environment what progress has been made in the last 12 months in extending the Department's monitoring networks for nitrogen oxides and ozone.

Mr. Waldegrave: Financial provision for acquisition of equipment to extend the network has been made in the current, 1985-86, estimates. The monitoring techniques are sophisticated and each site costs some £50,000. The network has been planned and instrumentation is being acquired and developed, in order to commence establishment of new sites before the end of this year.

Sir Hugh Rossi asked the Secretary of State for the Environment what need for additional research has been identified by the Committee on Air Pollution Effects Research, following the Environment Committee's report on acid rain.

Mr. Waldegrave: Additional research on the effects of low temperature stress on trees and on the increased susceptibility of trees to insect and fungal attack due to pollution is being undertaken as a result of the Committee's advice.

Sir Hugh Rossi asked the Secretary of State for the Environment what were the results of the evaluation by the building research establishment of the extent of deterioration in stone samples exposed to air pollution in the vicinity of power stations.

Mr. Waldegrave: The samples have recently been returned to BRE. The analytical techniques are lengthy, and the completed analysis will not be available before the end of 1985.

Sir Hugh Rossi asked the Secretary of State for the Environment what research is being carried out into the damage done to organic materials by ozone and photo-oxidants.

Mr. Waldegrave: Studies of the degradative effects of atmospheric pollutants on plastics and organic surface coatings are included in the building research establishment's programme. The establishment is also undertaking a review of relevant overseas research.

Sir Hugh Rossi asked the Secretary of State for the Environment if the Government have yet initiated their programme to determine mercury levels in fish originating from acid waters on catchments naturally rich in heavy metals.

Mr. Waldegrave: The Department is discussing details of a limited programme with the freshwater fisheries laboratory, Pitlochry.

Sir Hugh Rossi asked the Secretary of State for the Environment what progress has been made in planning a network of stations to monitor air pollution in rural areas, following the recommendations of the United Kingdom review group on acid deposition and the Royal Commission on Environmental Pollution.

Mr. Waldegrave: The primary acid deposition monitoring network will be in place this year; a secondary network is being developed from existing sites owned and operated by a variety of public authorities. The rural sulphur dioxide monitoring network is at an advanced stage of planning.

Sir Hugh Rossi asked the Secretary of State for the Environment what representations on the subject of acid rain have been received from the West German and Scandinavian Governments in the last 12 months.

Mr. Waldegrave: The Prime Minister of Norway, Mr Willock, wrote to my right honourable Friend the Prime Minister on 2 October 1984, enclosing a joint declaration by himself and the Chancellor of the Federal Republic of Germany, Herr Kohl, concerning the preservation of clean air.

The Prime Minister of Iceland, Mr Hermannsson, also wrote to my right honourable Friend on 17 December 1984, enclosing a statement by the Nordic Prime Ministers on air pollution and acidification.

In the past 12 months, I have personally visited both Norway and Sweden, to see and discuss the effects of acid deposition, and my colleagues and I have also had a number of contacts with representatives of the governments of the Federal Republic of Germany and Scandinavian countries, where the subject of acid rain has been discussed.

Sir Hugh Rossi asked the Secretary of State for the Environment what information he has as to the stage which has been reached in the examination of the health effects associated with acid rain, referred by the executive body of the United Nations Economic Commission for Europe Convention on Air Pollution to the World Health Organisation.

Mr. Waldegrave: The United Nations World Health Organisation — UNWHO — has produced two interim reports for the United Nations economic commission for Europe's executive body for the convention on long-range transboundary air pollution. These reports relate to the direct and indirect effects of air pollution, including acid deposition, on human health. The UNWHO has been asked to update these reports for submission to the 1986 meeting of the executive body.

Emission Control

Sir Hugh Rossi asked the Secretary of State for the Environment what progress has been made in setting emission standards for medium and large cars following the EEC agreement in principle in March.

Mr. Waldegrave: I refer the hon. Member to my answer of 3 July to my hon. Friend the Member for Renfrew, West and Inverclyde (Mrs. McCurley).

Urban Programme (Bradford)

Mr. Lawler asked the Secretary of State for the Environment if he will provide the total revenue and capital figures for the urban programme in the Bradford area for 1984-85 and that projected for 1985-86; and if he will break these figures down into sub-headings under the urban programme.

Sir George Young: In 1984-85, Bradford was originally allocated £1·71 million revenue and £2·87 million capital under the urban programme. In 1985-86, the figures were £1·66 million revenue and £2·92 million capital. The initial allocation for 1984-85 was assigned by project category as follows:

£ million

Project Category	*Cap*	*Rev*
Economic	0·718	0·274
Environmental	0·603	0·051
Social	1·549	1·385
Total	2·87	1·71

In the course of 1984-85, Bradford received an additional Urban Programme capital allocation of £706,000.

The breakdown of outturn expenditure for 1984-85 is not yet available and I am awaiting proposals from the city council for securing an acceptable balance of expenditure for 1985-86.

Mr. Lawler asked the Secretary of State for the Environment what percentage of approved Bradford urban programme spending was related to ethnic minority projects in 1984-85; and what is the percentage projected for 1985-86.

Sir George Young: In 1984-85, approximately 15 per cent. of Bradford's approved urban programme expenditure of £4·58 million was allocated to projects of specific benefit to ethnic minorities. It is not yet possible to estimate the corresponding figure for 1985-86.

Rate Support Grant (Liverpool)

Mr. Alton asked the Secretary of State for the Environment what amount of rate support grant will now be paid at the levels of expenditure currently set by Liverpool city council; how much has already been paid; and if he will make a statement.

Mr. Patrick Jenkin: As a result of Liverpool city council budgeting to spend £265 million in 1985-86, the rate support grant entitlement will be £50·273 million after holdback of grant. Including the payment being made today, the city council will have received £36·478 million.

Mr. Alton asked the Secretary of State for the Environment what was the originally planned level of rate support grant for 1985-86 for Liverpool on the basis that the city council would budget to spend at his Department's target.

Mr. Patrick Jenkin: Had Liverpool budgeted to spend at their target for 1985-86, they would have been entitled to £139·597 million in rate support grant.

Home Loans

Mr. Rooker asked the Secretary of State for the Environment why the house price limits for the home loan scheme he announced on 28 June, at column *515*, vary from the rate of increase in homes purchased by first time buyers; and if he will list the percentage increase in such homes and the limits for each region.

Mr. Gow: The home loan scheme's house price limits are set so that about two thirds of first-time purchasers could qualify. That was the criterion proposed by the right hon. Member for Bethnal Green and Stepney (Mr. Shore) on 20 February, 1978 at column 1032, when he was Secretary of State for the Environment. The increases required in order to meet this criterion differ from the increases in average prices paid by first-time buyers. The table below compares the "Homeloan" scheme's house price limits with the average price paid by first-time buyers in the first quarter of 1985; and the increase in the "Homeloan" price limits as compared with the increase in average prices paid by first-time buyers in the year ending in the first quarter of 1985. Following is the information.

Region	*"Homeloan" scheme house price limits from 20 July 1985*	*Average price paid by first-time buyers 1st quarter 1985*	*Increase in "Homeloan" scheme house price limits on 20 July 1985*	*Increase in average price paid by first-time buyers between 1st quarters of 1984 and 1985*
	£	£	*Per cent.*	*Per cent.*
England				
Northern	21,500	16,480	7·0	5·5
Yorkshire and Humberside	20,400	16,660	6·3	−1·6
East Midlands	22,100	18,340	8·3	10·1
East Anglia	26,000	22,400	9·7	13·8
South East:				
London	38,000	32,970	14·8	7·9
rest of South East	33,500	27,680	14·0	7·9
South West	28,200	23,970	9·7	7·4
West Midlands	21,900	18,560	5·8	6·1
North West	21,700	17,690	7·4	0·7
Wales	22,700	19,680	6·6	4·6
Scotland	26,000	19,610	9·7	3·8

Mr. Rooker asked the Secretary of State for the Environment how many first time home buyers have received help under the Home Purchase Assistance and Housing Corporation Act 1978, each year since it came into force; and if he will give separate numbers of each region.

Mr. Gow: We estimate that the number of first-time buyers who have received help under the home purchase assistance—"Homeloan"—scheme are as follows:

	Number
1980-81	602
1981-82	5,500
1982-83	6,280
1983-84	4,200
1984-85	4,160
Total	20,742

I regret that separate numbers for each region are not available.

Mr. Rooker asked the Secretary of State for the Environment what has been the cost each year of the operation of the Home Purchase Assistance and Housing Corporation Act 1978.

Mr. Gow: The net cost of the home purchase assistance —"Homeloan"—scheme comprises the amounts paid out in loans and bonuses, less the receipts from loans which have been repaid. The amounts are as follows:

	£ million
1980-81	0·42
1981-82	3·86
1982-83	4·24
1983-84	2·48
1984-85	1·6

Mr. Rooker asked the Secretary of State for the Environment why the assistance of £110 cash bonus and £600 interest free loans available to first time home buyers under the Home Purchase and Housing Corporation Guarantee Act 1978 has not been increased since 1979.

Mr. Gow: We have given priority to other ways of helping people into home ownership, including particularly the right to buy and our low-cost home ownership initiative. Between 1 May 1979 and 31 May 1985, the number of dwellings in owner-occupation increased by 1·9 million.

Charles Darwin

Mr. Dalyell asked the Secretary of State for the Environment what plans he has to increase the length of the multi-channel seismic recording systems on royal research ship Charles Darwin from two kilometres to four kilometres; and what is the cost estimate.

Mr. Brooke: I have been asked to reply. I understand from the Natural Environment Research Council that in the present financial circumstances it sees no prospect of enhancing its multi-channel digital acquisition system by expanding the streamer from two kilometres to four kilometres. The cost would be about £400,000.

Mr. Dalyell asked the Secretary of State for the Environment what plans he has to allow deeper penetration by the airgun seismic source on royal research ship Charles Darwin.

Mr. Brooke: I have been asked to reply. I understand that the Natural Environment Research Council sees no prospect of finance being available in the forseeable future for the purchase of new airgun sources, which would allow deeper penetration.

Broad Street Station

Mr. Faulds asked the Secretary of State for the Environment whether at any time Broad Street station has been recommended for listing by an investigator; and what professional advice was received by the Department on each occasion that the building was previously considered for listing in 1971, 1975, and 1981.

Mr. Macfarlane [*pursuant to his reply*, 4 July 1985]: In 1971 and again in 1975, the City of London was surveyed for buildings of special architectural or historic interest by professional historic buildings inspectors. The resulting statutory list issued by the Secretary of State in 1972 and revised in 1977 did not include Broad Street Station since on neither occasion had it been assessed as of special interest. In 1981 on the evidence of further advice offered, the Secretary of State at the time was not persuaded to reverse the view that had previously been taken.

FOREIGN AND COMMONWEALTH AFFAIRS

Argentina (Relations)

Mr. Parris asked the Secretary of State for Foreign and Commonwealth Affairs if he is considering any early development in relations between the United Kingdom and Argentina; and if he will make a statement.

Mr. Renton: The twin objectives of our policy are: to fulfil our commitments to the Falkland islanders; and to restore more normal relations between Britain and Argentina.

The question of sovereignty over the Falkland Islands is not for discussion. In our view, better relations with Argentina can only realistically be achieved by seeking agreement on practical issues. Commercial and economic relations offer a natural opportunity for progress of this kind. We have on a number of occasions made it plain to the Argentine Government that we are willing to discuss this subject. They have not so far responded to any of these initiatives.

We have accordingly decided ourselves to take a fresh step to promote improvement in this field. We are lifting, with effect from midnight tonight, the ban on imports from Argentina which has been in place since April 1982.

The International Monetary Fund has stressed the importance of increased trade for the recovery of the Argentine economy and for the resolution of its debt problems. That is important for international financial stability and for the consolidation of Argentine democracy. We have consistently played a constructive part in the relevant negotiations in the IMF and the Paris club. The announcement which I am making today will enable Argentina to recognise that if trade is to flourish, it has to be a two-way street, and so to lift its restrictions on imports from Britain. It will also benefit British industry, by restoring access to Argentine raw materials, and employment in the United Kingdom.

Argentina now has the opportunity to respond to our initiative and thereby to open the way to further steps towards more normal relations between Britain and Argentina.

Mr. Hunter asked the Secretary of State for Foreign and Commonwealth Affairs what is the policy of Her Majesty's Government towards the proposal being considered by the European Economic Community from Polish bishops for European Community financial support for a Church-sponsored programme for private farms and trade in Poland.

Mr. Rifkind: This is an interesting proposal, but in our view it would be wrong to direct limited EC resources away from higher priority calls for programmes in the developing countries, particularly the poorest and least developed. It is, of course, open to all members of the community to make national contributions if they wish.

South Africa

Mr. Dubs asked the Secretary of State for Foreign and Commonwealth Affairs how many people living in the Republic of South Africa have an entitlement to enter the United Kingdom.

Mr. Renton: This information is not available.

Departmental Staff

Mrs. Rumbold asked the Secretary of State for Foreign and Commonwealth Affairs what manpower reductions his Department has achieved in 1984-85.

Mr. Renton: The number of Foreign and Commonwealth Office staff at post, including the ODA, was 10,031 at 1 April 1984 and 9,793 at 1 April 1985; an overall reduction of 238.

Sentenced Persons (Transfers)

Mr. Kilroy-Silk asked the Secretary of State for Foreign and Commonwealth Affairs what progress has been made in negotiating bilateral prisoner transfer treaties with Thailand, Peru and other countries which are unwilling to sign the Council of Europe convention on the transfer of sentenced persons.

Mr. Renton: Draft agreements have been exchanged with the Governments of Thailand and Peru, the terms of which are now the subject of negotiation. The United Kingdom has no plans for the moment to enter into bilateral arrangements for the transfer of prisoners with any other state, but when the Council of Europe convention on the transfer of sentenced persons comes into force for the United Kingdom on 1 August, transfers will be possible with a number of other countries.

Mr. Kilroy-Silk asked the Secretary of State for Foreign and Commonwealth Affairs how many British prisoners serving sentences abroad on the most recent convenient date would be eligible for transfer to the United Kingdom under the Council of Europe convention on the transfer of sentenced persons; and in which countries they are imprisoned.

Mr. Renton: The Council of Europe convention on the transfer of sentenced persons will come into force for the United Kingdom on 1 August and from that date transfers will be possible with France, Spain, Sweden and the United States of America and from 1 September with Canada.

As at 4 July, the numbers of prisoners who could be considered for transfer to the United Kingdom are as follows:

	Numbers
France	49
Spain	35
Sweden	15
United States of America	35
Canada	1

Ascension Island (Feral Cats)

Dr. Marek asked the Secretary of State for Foreign and Commonwealth Affairs if any progress has been made in reducing the numbers of feral cats on Ascension Island.

Mr. Renton: No estimate of numbers is available, but efforts to reduce the feral cat population are continuing.

CERN

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs if he has any plans to seek to amend the treaty obligations of the United Kingdom regarding CERN; and if he will make a statement.

Mr. Renton: My right hon. and learned Friend has at present no such plans.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs what is his estimate of the costs of implementing Sir John Kendrew's proposals regarding future United Kingdom participation in CERN; and how these costs are made up.

Mr. Brooke: I have been asked to reply. The report of the review group chaired by Sir John Kendrew was addressed to the Advisory Board for the Research councils and the Science and Engineering Research Council, whose advice my right hon. Friend awaits. That advice will no doubt contain estimates of the implications of certain options, including that favoured by the Kendrew group, related to the United Kingdom's participation in CERN.

Falkland Islands (Fishing)

Sir Bernard Braine asked the Secretary of State for Foreign and Commonwealth Affairs what countries are currently engaged in fishing in the existing 150 mile protection zone of the Falkland Islands; and whether he has any information as to the estimated quantities and value of the total catch in 1984 and in 1985 to the latest convenient date.

Mr. Renton: Fishing and support vessels observed in the Falkland Islands protection zone in recent months were registered in Poland, the Soviet Union, Spain, Japan, Taiwan, Korea, the German Democratic Republic, Bulgaria and Liberia. The latest estimates available to us suggest that the fish catch within the protection zone was roughly 185,000 tonnes in 1984 and 75,000 tonnes in 1985, up to mid-June. The precise composition of the catch is not known, and values are subject to market fluctuations. It is not therefore possible to make any meaningful estimate of the total value of the catch.

Decade for Women Conference

Mr. Meadowcroft asked the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy that the national statement to be presented at the end of the United Nations decade for women conference in Nairobi is published and publicised in the United Kingdom before the conference starts on 13 July.

Mr. Renton: No. It is not usual for the texts of ministerial speeches of this sort to be made available in advance. A copy of the statement will, however, be placed in the Library of the House when it is delivered.

EDUCATION AND SCIENCE

European University Institute

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what is *(a)* the total running cost of the European University Institute, *(b)* the number of (i) teaching and (ii) research staff employed and *(c)* the level of pay for members of staff by grade at current rates of exchange in each of the last five years.

Mr. Brooke: Details of the total approved budget of the institute and of the number of teaching and research staff employed in each of the last five years are given in the tables below. All staff at the institute are employed and paid by reference to the grading structure established for officials and other servants of the European Communities. The salary scales are those agreed annually by the EC member states, using the weighting applicable to Italy, but the information requested at *(c)* on the level of pay could be provided only at disproportionate cost.

a. *Total approved Budget*

Calendar Year	*EUI Budget in Lire*	*Average exchange rate (Lit per £)*	*Equivalent cost in £ sterling*
	million lire		*£ million*
1981	6.619	2.287	2·894
1982	7.622	2.364	3·224
1983	*9.910	2.302	4·305
1984	11.173	2.339	4·777
1985	12.305	†2.530	4·864

* The 1983 Budget included for the first time a substantial contribution (Lit 1,461 million) from the European Communities Budget in support of the Institute's research programme.

† For 1985 the rate used is that current at the time of this reply rather than an average.

b. *Teaching and research staff employed*

EC grading	*Professors (A3)*	*Senior Lecturers (A5)*	*Lecturers (A6–A7)*	*Total teaching staff*	*Jean Monnet Research Fellows*	*Other Research Staff*
1 July 1980	10	5	6	21	—	7
1 July 1981	12	2	5	19	—	5
1 July 1982	12	2	6	20	—	9
1 September 1983	13	2	7	22	—	12
1 September 1984	14	3	7	24	*16	16

* From March 1984, one-year Jean Monnet Fellowships have been offered to enable highly qualified academics to pursue individual research within the scope of the Institute's research programmes. Their costs are covered by the EC contribution to the Institute's Budget.

General Certificate of Secondary Education

Mr. Greenway asked the Secretary of State for Education and Science what evaluation has been made of the amount of teachers' time required to run, supervise and mark the proposed new general certificate of secondary education examination; what is the estimated cost of introducing the new examination; and if he will make a statement.

Mr. Dunn: The general criteria for the GCSE provide that syllabuses and methods of assessment should not make unreasonable demands on human or financial resources. The programme of in-service training in preparation for the new examinations will make some extra demand on resources: the Government has consequently agreed that £6 million of expenditure on this programme should be supported under the in-service teacher training grants scheme. The Government has also committed itself, subject to Parliament's approval, to provide the Secondary Examinations Council with additional grant of £860,000 which will be used partly to finance the production and dissemination of teacher manuals and videos and partly as a contribution towards the costs of the groups in providing subject experts to lead the in-service training seminars.

Education Expenditure

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what proportion of gross domestic product is spent on education in primary and secondary schools in each member state of the European Community, the United States of America and Japan.

Sir Keith Joseph: The available information is as follows:

Percentage of gross national product on public sector 1st and 2nd level education

Country	*Year*	*Percentage GNP on education at* *Pre-school and 1st level*	*†2nd level*
Belgium‡	1982	1·5	3·0
Denmark	1980	3·3	1·1
France	1980	1·4	2·0
Germany FDR	1979	0·7	2·2
Greece	1979	0·9	0·8
Ireland	1980	2·1	2·4
Italy	1979	1·6	1·8
Japan	1981	1·7	1·4
Luxembourg	1981	2·7	1·7
Netherlands	1981	1·7	2·3
United Kingdom	1982	1·3	2·2
USA¶	1981	•—	•4·3

*Nursery and primary schools.

†Including non-advanced further education; as per standard UNESCO definitions.

‡Ministry of Education only.

Excludes public subsidies to private education.

¶Includes capital expenditure.

•Figure combined for Pre-school and 1st level with 2nd level.

Tourism Subjects

Mr. Robert Banks asked the Secretary of State for Education and Science how many students will have completed courses of further education in tourism-related subjects, at the end of the current term.

Sir Keith Joseph: It is not possible to answer my hon. Friend's question without a definition of which subjects should be included. Many subject areas such as Hotel and Catering or Languages can be thought of as "tourism-related. In November 1983, the latest year for which information is available, there were 613 students on the final year of a further education course in England, studying for qualifications specifically in Tourism or Travel Agency.

Physical Science Graduates

Mr. Colvin asked the Secretary of State for Education and Science what percentage of physical science graduates from universities and polytechnics have opted to undertake teacher training over the past five years; and how this percentage is changing.

Mr. Dunn: Figures for the most recent five-year span and in the most readily available form are as follows:

Graduates in Biological and Physical Sciences: England and Wales

	Numbers graduating (1)	*Numbers entering Teacher training (2)*	*(2) as percentage of (1) in previous year*
1978-79	13,880	—	—
1979-80	14,740	1,930	13·9
1980-81	16,080	2,280	15·5
1981-82	16,840	2,260	14·0
1982-83	16,690	2,260	13·4
1983-84	—	2,050	12·3

Notes:

1. Biological and physical sciences include all natural sciences and mathematics. Graduates from public sector colleges validated by universities are excluded.
2. Columns 1 and 2 include graduates from FE institutions other than polytechnics (who cannot be separately distinguished).
3. All figures relate to home students only.
4. Column 1 figures relate to students awarded their degree at the end of the appropriate year; column 2 figures relate to those on the first year of their course in the subsequent academic year.
5. All figures have been rounded to the nearest 10.

Overseas Students

Mr. Key asked the Secretary of State for Education and Science what is the optimum number and percentage of overseas students that the Government would expect to see in British institutions of higher and further education in each of the next 10 years.

Mr. Brooke: The proportion of overseas students varies widely from institution to institution. My right hon. Friend would not wish to suggest an optimum proportion for any institution or for higher and further education as a whole.

Mr. Key asked the Secretary of State for Education and Science whether the figure of 11 per cent., and rising in relation to the proportion of overseas students, given in his statement on the Green Paper, referred to university students only; and if he will give comparable percentage figures for non-university higher education and non-advanced further education.

Mr. Brooke: In response to an intervention from my hon. Friend on 21 May 1985 at column 865, my right hon. Friend said that the proportion of overseas students here was now 11 per cent. However, that figure related to the proportion of overseas students in the universities alone: in 1983-84, the number of students from abroad (including those from other European Community countries), as a proportion of all full-time and sandwich students in universities in Great Britain had increased from 10·5 per cent. for the previous academic year to 11·1 per cent. in 1983-84. The corresponding figure for public sector higher education was 5 per cent. and that for higher education in Great Britain overall was 8·2 per cent. The figure for non-advanced further education was 2 per cent.

Higher Education

Lord James Douglas-Hamilton asked the Secretary of State for Education and Science what were the numbers, both in absolute terms and expressed as a percentage of the relevant age group, going on to university or to degree term courses in central institutions, further education colleges or colleges of education or in other similar education institutions in *(a)* Scotland, *(b)* England and *(c)* Wales, for each of the last 20 years, giving figures for each year; and what percentage received degrees.

Mr. Brooke: I shall reply to my hon. Friend as soon as possible.

Teachers' Salaries

Mr. Peter Bruinvels asked the Secretary of State for Education and Science if he will publish figures to show the percentage increase in teachers' salaries in cash and real terms *(a)* from the implementation of the Houghton award to April 1979, *(b)* from the implementation of the Houghton award to April 1984, *(c)* from April 1979 to April 1984 and *(d)* from April 1979 to April 1985, assuming payment of the award currently offered by teachers' employers, in each case both allowing for and not allowing for incremental rises.

Sir Keith Joseph: I shall reply to my hon. Friend as soon as possible.

Deep Earth Sciences

Mr. Dalyell asked the Secretary of State for Education and Science why from 1 October the United Kingdom will cease to be a candidate member of the Joint Oceanographic Deep Earth Sciences Committee with the United States of America, Canada, West Germany, France and Japan; and if he will make a statement on the British subscription.

Mr. Brooke: I understand that the period during which the United Kingdom is allowed candidate membership of the Joint Oceanographic Institutions for Deep Earth Sampling is not permitted to be extended beyond 30 September 1985. The United Kingdom's subscription is paid through the Natural Environment Research Council, which is continuing to make efforts to secure contributions from a number of sources, including companies in the oil and mining sectors, to enable the United Kingdom to afford the cost of full membership from 1 October 1985.

NORTHERN IRELAND

Rates

Mr. Peter Robinson asked the Secretary of State for Northern Ireland (1) what is the policy of the Department of the Environment rating division with regard to cases where summonses for the non-payment of rates have been issued wrongly; and whether those summoned have to pay the cost of the summons;

(2) how many summonses for the non-payment of rates have been issued in Northern Ireland by the rating division of the Department of the Environment in each of the last four years;

(3) how many summonses issued in Northern Ireland for the non-payment of rates by the Department of the

Environment rating division in each of the last five years were subsequently withdrawn; and what were the principal reasons for these withdrawals.

Mr. Chris Patten: I refer the hon. Gentleman to the replies I gave on 15 May 1985 at column *148*.

Housing Benefit

Mr. Hume asked the Secretary of State for Northern Ireland what figures are available to indicate the number of people, by convenient district unit, in Northern Ireland who are in receipt of housing benefit, indicating how many of these are also receiving supplementary benefit and how many are pensioners.

Mr. Chris Patten: The information is not available in the precise form requested. The available information as at 15 March is shown in the following table:

District council area	*Number* of persons in receipt of housing benefit*	*Number* of housing benefit recipients also in receipt of supplementary benefit*
Antrim	4,500	3,000
Ards	6,600	3,800
Armagh	5,000	3,200
Ballymena	5,700	3,400
Ballymoney	2,800	1,700
Banbridge	3,100	1,700
Belfast	47,200	30,600
Castlereagh	5,700	2,900
Carrickfergus	3,400	2,000
Coleraine	6,400	4,000
Cookstown	3,500	2,500
Craigavon	9,400	6,200
Derry	12,600	9,000
Down	5,100	3,100
Dungannon	5,300	4,000
Fermanagh	6,100	4,300
Larne	3,200	2,100
Limavady	3,000	2,200
Lisburn	9,500	6,100
Magherafelt	3,900	2,700
Moyle	1,900	1,300
Newtownabbey	8,500	5,200
Newry	10,900	7,300
North Down	6,500	3,200
Omagh	4,700	3,000
Strabane	5,100	3,700
	189,600	122,200
Number of pensioners (estimate)	84,800	

* Rounded to the nearest hundred.

Mr. Hume asked the Secretary of State for Northern Ireland what figures are available to indicate the number of people, by convenient district unit, in Northern Ireland, who are in receipt of housing benefit supplement.

Mr. Chris Patten: The information requested is shown in the following table:

Number of persons in receipt of housing benefit supplement*

District council area	*Persons*
Antrim	74
Ards	132
Armagh	72
Ballymena	83
Ballymoney	44
Banbridge	59
Belfast	870
Castlereagh	135
Carrickfergus	90
Coleraine	111
Cookstown	42
Craigavon	180
Derry	251
Down	78
Dungannon	63
Fermanagh	51
Larne	55
Limavady	42
Lisburn	179
Magherafelt	62
Moyle	16
Newtownabbey	166
Newry	129
North Down	148
Omagh	55
Strabane	85
	3,272

* As at 15 March 1985.

Family Income Supplement

Mr. Hume asked the Secretary of State for Northern Ireland what figures are available to indicate the number of households in receipt of family income supplement in the areas served by each of Northern Ireland's social security offices.

Mr. Chris Patten: The information is not available in the form requested, as family income supplement is administered centrally and not by social security Offices. The number of recipients on 3 June 1985 was 14,569.

Unemployment Benefit

Mr. Hume asked the Secretary of State for Northern Ireland if Her Majesty's Government will make arrangements to allow young unemployed people who go abroad on a youth service scheme to claim benefit again, on their return, without having to make a full fresh claim; and if he will make a statement.

Mr. Chris Patten: There is a statutory requirement that persons wishing to receive benefit should make a claim and, in the absence of evidence that the existing arrangements are not satisfactory, it would be inappropriate to modify them in the circumstances mentioned.

Youth Service

Mr. Hume asked the Secretary of State for Northern Ireland if Her Majesty's Government will take steps to introduce a weekly grant or allowance at least of equal value with a training allowance for young people who go abroad as part of a youth exchange, educational holiday or voluntary work programme organised through the youth service and who otherwise have no income for the duration of their time abroad.

Mr. Scott: The Government have no plans to introduce an allowance for young people who go abroad as part of a programme organised through the youth service.

Mr. Hume asked the Secretary of State for Northern Ireland if her Majesty's Government will modify the application of regulations concerning availability for work

in relation to young people who go abroad on a youth exchange scheme, educational visit or voluntary work programme organised through the youth service in relation to their qualification for social security benefits; and if he will make a statement.

Mr. Chris Patten: It is a well established feature of the social security system that entitlement to benefits for unemployed persons is conditional on their being available for work and it is not proposed to modify the existing regulations in this respect. Supplementary benefit is not payable to unemployed persons while abroad, but, in certain circumstances, entitlement to unemployment benefit can be retained during absence in an EC member state.

Mr. Hume asked the Secretary of State for Northern Ireland if he will make a statement on the role of the youth service in Northern Ireland with particular regard to the role of summer schemes organised by the service, and the value of such schemes to young people.

Mr. Scott: The youth service in Northern Ireland plays an important part in informal education. The programmes are varied and include recreation, residential experience, adventure training, social activities and counselling.

Special summer schemes based in school premises were in the past organised during the holiday period. Increased pressures on financial resources required these to be replaced by an extention of normal youth service provision during July and August, and this redistribution of resources has the merit of attracting young people from the full youth service age range and maximises the use of custom-built youth centres.

Scallop Beds

Mr. John David Taylor asked the Secretary of State for Northern Ireland, pursuant to his reply of 1 July, what is the result of the monitoring of the scallop beds adjacent to the Northern Ireland coast since 1 June; and if he is still satisfied that there is no threat to these beds from boats based outside Northern Ireland.

Dr. Boyson: The monitoring indicates that the fishing effort to date is not excessive given the present state of the scallop stocks.

NATIONAL FINANCE

EC Budget

Mr. Austin Mitchell asked the Chancellor of the Exchequer further to his reply dated 14 May, *Official Report*, columns *84-5*, concerning the maximum level of spending under the European Economic Community budget on agriculture, whether he will publish in the *Official Report* (i) the percentage of the total budget represented by the figure of 20·65 billion ecu, (ii) the comparable figures for 1984 and 1985, (iii) the increase in the own resources base used in the calculation and (iv) an explanation of what is meant by a comparable basis and how this affects the calculation.

Mr. Ian Stewart: The Commission has now revised its estimate of the financial guideline for 1986 down from 20·650 billion ecu to 20·619 billion ecu. This figure is a ceiling and the Commission has proposed in its key figures for the preliminary draft budget for 1986 expenditure on FEOGA guarantee of 20·442 billion ecu excluding the costs of enlargement. This represents 64 per cent. of its proposal for total expenditure in a Community of ten. This proportion may be different in the adopted budget for 1986 depending on decisions taken by the Council and European Parliament during the budgetary procedure. The equivalent proportions in the budgets for 1984 and 1985 were 67 per cent. and 70 per cent. respectively. However, the proportion for 1984 is not strictly comparable with those for 1985 and 1986 because of the different treatment of the United Kingdom's rebates which in 1984 were on the expenditure side.

The guideline figure for 1986 is based on an estimate that the own resources base will grow by 10·85 per cent. between the average of 1984 and 1985 and 1986. Article 2 of the budget discipline conclusions requires calculations to be made on a comparable basis in order to avoid the operation of the guideline being distorted by such things as a change in the definition of agricultural expenditure or the proposed increase in the VAT ceiling from 1 per cent. to 1·4 per cent. This requirement ensures that the financial guideline grows at no more than the rate of growth of a consistently defined own resources base.

Departmental Staff

Mrs. Rumbold asked the Chancellor of the Exchequer what manpower reductions his Department has achieved in 1984-85.

Mr. Hayhoe: Manpower numbers in the Treasury (including CISCO) were reduced from 3,671 at 1 April 1984 to 3,393 by 1 April 1985.

Value Added Tax

Mr. Robert Sheldon asked the Chancellor of the Exchequer how many traders have been prosecuted for failing to notify Her Majesty's Customs and Excise when their taxable turnover for value added tax purposes exceeds the exemption limit.

Mr. Lawson: Twenty-two in 1984-85.

Mr. Walters asked the Chancellor of the Exchequer (1) what representations he has received advocating the removal of value added tax charged on meals supplied by local authority school kitchens to voluntary senior citizens' luncheon clubs; and if he will make a statement;

(2) what representations he has received advocating the elimination of the taxation differences between the sale of meals by local authorities to voluntary bodies and the meals on wheels service; and if he will make a statement;

(3) what is the estimated revenue in a full year from the value added tax charged on meals supplied by local authority school kitchens to voluntary senior citizens' luncheon clubs; and what is the estimated cost of collecting this revenue.

Mr. Hayhoe: Treasury Ministers have received a few letters. The Meals on Wheels service provided by local authorities as a statutory function under the National Assistance Act 1948 (Amendment) Act 1962 is outside the scope of VAT. But supplies of meals by local authorities to voluntary bodies are subject to the tax in the same way as similar supplies made by private sector caterers. This accords with the principle that supplies made by local authorities should be treated in the same way as similar supplies made in the course of business by the private

sector, and an exception in this case would not be justified. I regret that sufficiently detailed information is not available upon which to base an estimate of either the revenue received or the cost of collection.

Pensions

Mr. Teddy Taylor asked the Chancellor of the Exchequer if he will establish a separate cost of living index reflecting the spending patterns of retirement pensioners for the purposes of assessing future adjustments in the retirement pension; and if he will make a statement.

Mr. Peter Rees: I shall let my hon. Friend have a reply as soon as possible.

EC Rebates

Mr. Teddy Taylor asked the Chancellor of the Exchequer (1) how many member states of the European Economic Community have taken the necessary legislative or other steps to permit their respective Treasuries to make payments to the European Economic Community in terms of the undertaking of the Council on 23 April designed to enable the United Kingdom's 1985 rebate to be paid; and if he will make a statement;

(2) how many member states of the European Economic Community have now paid to the European Economic Community the sums which they were committed to pay in terms of the undertaking of the Council on 23 April designed to enable the United Kingdom's 1985 rebate to be paid; and if he will make a statement.

Mr. Ian Stewart: I shall let my hon. Friend have replies as soon as possible.

Lloyd's Syndicates (Taxation)

Mr. Steen asked the Chancellor of the Exchequer how many tax inspectors are employed in the special team responsible for aspects of Lloyd's syndicates; how many of them are concerned with investigating reinsurance arrangements; when they expect to complete this investigation; and if he will make a statement.

Mr. Moore: I shall let my hon. Friend have a reply as soon as possible.

Mortgage Interest Relief

Dr. McDonald asked the Chancellor of the Exchequer if, pursuant to the answer of 16 May at columns *189-90*, he will provide the figures for mortgage interest tax relief for 1983-84 onwards, excluding the estimated cost of relief in respect of mortgages previously under the option mortgage scheme.

Mr. Moore [*pursuant to his reply*, 17 June 1985, c. *28*]: From April 1983 the arrangements for paying mortgage interest relief at source (MIRAS) subsumed the option mortgage scheme. From the available information, it is not possible to distinguish the cost of relief for those mortgages which were previously under the option mortgage scheme. But the hon. Member may find it helpful to have the costs of the option mortgage scheme for years before the introduction of MIRAS, expressed at 1984-85 prices. These are shown in the following table, together with the cost of mortgage interest relief distinguishing, for 1983-84 and 1984-85, the provision on class XIII Vote 7 for mortgage interest relief at source given to non-taxpayers.

*£ million at 1984-85 prices**

	Mortgage interest tax relief	*Option mortgage scheme*	*Total*
1979-80	2,200	290	2,490
1980-81	2,550	300	2,850
1981-82	2,400	310	2,710
1982-83	2,350	335	2,685
1983-84	‡2,900	‡20	2,920
1984-85	‡3,500	—	3,500

* The figures in this table have been expressed at 1984-85 prices using the retail prices index.

‡ Includes expenditure on relief in respect of non-taxpayers (class XIII Vote 7) at £70 million for 1983-84 and £85 million for 1984-85 (at 1984-85 prices).

‡ Provision to meet claims in respect of earlier years.

DEFENCE

Royal Ordnance plc (Design Rights)

Mr. Douglas Hogg asked the Secretary of State for Defence why disclosure in full of the design rights transferred to Royal Ordnance plc by the scheme made under section 1 of the Ordnance Factories and Military Services Act 1984 would be contrary to national security and to the commercial interests of Royal Ordnance plc.

Mr. Butler: For those few cases where national security is concerned, it would not be appropriate or in line with normal practice to give detailed justifications for non-disclosure. In the vast majority of cases where detailed information has not been published, it is because, when taken together, it would be commercially sensitive and its disclosure could place Royal Ordnance plc at a disadvantage against its competitors. No other commercial company would publish such information. Royal Ordnance plc is subject to the normal Patent Office rules governing patents applications and registered designs and appropriate details of these were set out in the published scheme.

Mr. Douglas Hogg asked the Secretary of State for Defence if he will identify those design rights transferred to Royal Ordnance plc by a scheme made under section 1 of the Ordnance Factories and Military Services Act 1984, publication of which he does not consider to be contrary to national security or the commercial interests of Royal Ordnance plc.

Mr. Butler: A copy of the scheme, and the lists referred to in the scheme, made under section 1 of the Ordnance Factories and Military Services Act 1984 was laid before the House on 9 January 1985. The published scheme contains all the information, disclosure of which would not be contrary to national security or the commercial interests of Royal Ordnance plc.

Submarine Deployment

Mr. Andrew F. Bennett asked the Secretary of State for Defence if Her Majesty's Government will make it their policy to support in principle proposals for a sanctuary agreement banning hostile submarine deployment adjacent to the coastlines of the United States of America and the Soviet Union.

Mr. Stanley: The British Government believe the highest priority should be given to reducing the levels of nuclear weapons and fully supports US efforts at the Geneva negotiations to do so. A sanctuary agreement such as that referred to would not reduce the level of forces, and would pose complex verification issues.

Royal Naval Fleetlands, Gosport

Mr. Hancock asked the Secretary of State for Defence if he will make a statement about the future of Royal Naval Fleetlands, Gosport.

Mr. Lee: The Royal Naval aircraft yard, Fleetlands, at Gosport will continue to have a substantial programme of helicopter repair, overhaul and modification work, for all three services, for the foreseeable future. As elsewhere in the defence support area, we are seeking to improve efficiency at Fleetlands if we can. To this end, a number of studies are currently in hand to establish whether it would be operationally acceptable and financially acceptable to contract out certain ancillary services at the yard. There will be full consultation with the trade unions concerned before any decisions are reached.

Medical Services

Mr. Hunter asked the Secretary of State for Defence (1) how many military personnel have been employed in the provision of medical services to the Army in each year since 1979;

(2) how many military personnel have been employed in the provision of medical services to the Royal Navy in each year since 1979;

(3) how many military personnel have been employed in the provision of medical services to the Royal Air Force in each year since 1979.

Mr. Lee: I refer my hon. Friend to the "Statement on the Defence Estimates 1985 (Part 2)". The information requested is shown on page 45 in table 6.2.

Mr. Hunter asked the Secretary of State for Defence (1) how many civilian personnel have been employed in the provision of medical services to the Army in each year since 1979;

(2) how many civilian personnel have been employed in the provision of medical services to the Royal Navy in each year since 1979;

(3) how many civilian personnel have been employed in the provision of medical services to the Royal Air Force in each year since 1979.

Mr. Lee: The following figures are for civilian personnel employed in the provision of medical services to the three services on 1 April in each of the years 1982-1985 inclusive. The information is not readily available for previous years and could be obtained only at disproportionate cost.

	1982	*1983*	*1984*	*1985*
Army	421	400	387	396
Navy	133	143	130	119
RAF	164	125	123	105

The figures comprise medical nursing and specialist staffs only; they do not include ancillary or administrative staffs.

Mr. Hunter asked the Secretary of State for Defence (1) what has been the cost to the defence budget of the provision of medical services to the Army in each year since 1979;

(2) what has been the cost to the defence budget of the provision of medical services to the Royal Air Force in each year since 1979;

(3) what has been the cost to the defence budget of the provision of medical services to the Royal Navy in each year since 1979.

Mr. Lee: Estimates provision for the medical services of the Army, Navy and Royal Air Force was:

£ million

	Army	*Navy*	*RAF*	*Total*
1979-80*	—	—	—	150·0
1980-81*	—	—	—	191·0
1981-82*	—	—	—	212·0
1982-83*	—	—	—	207·0
1983-84	112·5	51·0	47·5	211·0
1984-85	120·5	58·1	51·9	230·5
1985-86	120·0	55·5	52·5	228·0

* Estimate provisions for these financial years is not available broken by Service.

Mr. Hunter asked the Secretary of State for Defence (1) if he will list the facilities which provide medical services for Army personnel in the Aldershot area;

(2) if he will list the facilities which provide medical services for Army personnel in the Camberley area;

(3) if he will list the facilities which provide medical services for Army personnel in the Frimley area.

Mr. Lee: Primary and secondary medical care for Army personnel in the Frimley, Aldershot and Camberley areas of the Army's south-east district is provided by facilities and personnel at Army medical centres within the district and by the Cambridge military hospital, Aldershot respectively.

Mr. Hunter asked the Secretary of State for Defence (1) what has been the cost to the defence budget of the provision of medical services for Army personnel in the Aldershot area in each year since 1979;

(2) what has been the cost to the defence budget of the provision of medical services for Army personnel in the Camberley area in each year since 1979;

(3) what has been the cost to the defence budget of the provision of medical services for Army personnel in the Frimley area in each year since 1979.

Mr. Lee: This information is not readily available and could be obtained only at disproportionate cost.

Mr. Hunter asked the Secretary of State for Defence (1) what has been the number of military personnel employed in the provision of medical services in the Aldershot area in each year since 1979;

(2) what has been the number of military personnel employed in the provision of medical services in the Camberley area in each year since 1979;

(3) what has been the number of military personnel employed in the provision of medical services in the Frimley area in each year since 1979.

Mr. Lee: Six hundred and ninety seven military personnel are currently employed on medical duties in the

Frimley, Aldershot and Camberley areas of the Army south-east district. Comparable figures for each year since 1979 are not readily available and could be obtained only at disproportionate cost.

Mr. Hunter asked the Secretary of State for Defence (1) what has been the number of civilians employed in the provision of medical services for military personnel in the Aldershot area in each year since 1979;

(2) what has been the number of civilians employed in the provision of medical services for military personnel in the Camberley area in each year since 1979;

(3) what has been the number of civilians employed in the provision of medical services for military personnel in the Frimley area in each year since 1979.

Mr. Lee: Three hundred and six civilian personnel are currently employed on medical duties in the Frimley, Aldershot and Camberley areas of the Army's south-east district. Comparable figures of each year since 1979 are not readily available and could only be provided at disproportionate cost.

SOCIAL SERVICES

Widows (Pensions and Allowances)

Sir David Price asked the Secretary of State for Social Services how much would be saved in a full year and how many people would be affected by *(a)* the abolition of the widowed mothers' allowance (personal) and *(b)* the raising from 40 to 45 years of the qualifying age for the lowest rate of widow's pension, as proposed in paragraph 5.52 and 5.53 of volume II of the Green Paper "Reform of Social Security" (Cmnd. 9518).

Mr. Newton: The financial effects and numbers affected would build up over time because entitlements at the time of change would not be affected. For widows concerned thereafter the effects would continue until they reached age 60, and beyond in a few cases. The following tables give broad estimates of the number of widows who would be affected during the first full year after abolition of widowed mothers' allowance (personal) (WMA(P)) and raising of the qualifying age for the lowest rate of widow's pension, as proposed in the Green Paper.

Implementation of all the Green Paper proposals for widows' benefits would cost the national insurance fund about £28 million during the first full year and be broadly cost-free in the second year. Savings would build up gradually after then with an approximate saving of £50 million by the fifth full year. These figures assume November 1984 benefit rates and that the new lump sum would be set at £1,000.

Numbers affected by the proposed abolition of widowed mothers' allowance (Personal) (WMA(P)) in the first full year of implementation

	Numbers entitled to WMA(P) under existing rules	*Numbers of widows, presently entitled to WMA(P) with entitlements under Green Paper proposals*		
		£1,000 lump sum	*Widow's pension (age related or full rate) immediately on bereavement for new awards*	*No entitlement to widow's pension*
New awards	2,500	2,500	1,500	1,000
People transferring from widows mothers' allowance	10,500	*	9,000	1,500

Numbers affected by the proposed raising from 40-45 of qualifying age for lowest rate of widow's pension during the first full year

	Entitlement under current rules	*Entitlements under the Green Paper proposals of widows who under existing rules would receive an age-related pension*		
	Numbers entitled to age-related widow's pension	*£1,000 lump sum*	*Age-related widow's pension*	*No entitlement to widow's pension*
New awards	5,000	5,000	†3,500	1,500
People transferring from WMA or WMA(P)	4,500	*	‡3,000	1,500

Notes to tables:

Numbers above are accurate only to the nearest 500. They are derived from 1983 estimate of the number of widow's receiving benefits.

* The majority of these widow's would have received widow's allowance when widowed, the others the lump sum payment.

† In addition some 11,000 new award widows who under existing rules would receive a full widow's pension would receive an age-related pension instead.

‡ In addition some 5,500 transferring widows who under existing rules would receive a full widow's pension would receive an age-related pension instead.

Family Income Supplement

Mr. Hancock asked the Secretary of State for Social Services what is the number of teachers currently receiving family income supplement.

Mr. Whitney: I regret that this information is not available. Teachers are included for family income supplement statistical purposes in a general group which covers administrative, social, professional and technical workers and a breakdown by individual occupation is not possible.

Community Nurses

Mr. Arnold asked the Secretary of State for Social Services how many community nurses have been employed to cover the town of Marple in the Stockport health authority area in each year since May 1979.

Mr. Kenneth Clarke: We do not collect this sort of detailed local information centrally. My hon. Friend may care to contact the chairman of the Stockport Health Authority for the information he needs.

Convalescence

Mr. Sims asked the Secretary of State for Social Services to what extent facilities for post-illness and post-operative convalescence are provided under the National Health Service.

Mr. John Patten: In recent years there has been a considerable reduction in the traditional form of convalescence. Within the National Health Service, post-illness and post-operative convalescence forms part of normal total medical care and patients are not now sent to special convalescence homes unless there are particular reasons for this. District health authorities are not required to notify the Department of any such arrangements they may make.

Ambulance Service

Mr. Cohen asked the Secretary of State for Social Services what were the staff levels for each year since 1979 in the ambulance service nationally.

Mr. John Patten: The figures requested are shown in the table:

NHS Directly Employed Ambulance Staff in England*
Whole Time Equivalent†

	Numbers
30 September:	
1979	17,100
1980	17,800
1981	18,200
1982	18,300
1983	18,400
1984‡	18,100
31 March 1985‡	18,200

* Includes Ambulance Officers.
† All figures are rounded to nearest 100.
‡ Provisional.

Streptomycin

Mr. Hind asked the Secretary of State for Social Services how many legal claims have been made against regional and district health authorities by patients suffering the side effects of treatment by streptomycin.

Mr. Kenneth Clarke: We do not hold this information centrally.

Incapacity Benefits

Mr. Gerald Bowden asked the Secretary of State for Social Services when he proposes to introduce the payment of incapacity benefits fortnightly in arreas.

Mr. Newton: As is indicated in paragraph 6.19 of volume 2 of the Green Paper on the reform of social security, we are looking generally at the scope for greater simplicity and uniformity in social security procedures and operations. We have therefore decided not to implement this proposal for the time being, but to give it further consideration in this wider context.

Thames region (Expenditure)

Mr. Chapman asked the Secretary of State for Social Services if he has made any estimate of the percentage real increase in revenue expenditure of the individual Thames regional health authorities based on their present boundaries and responsibilities between 1978-79 to 1984-85.

Mr. Kenneth Clarke: No. The 1982 boundary changes and changes in management responsibility which I listed in my reply to my hon. Friend on 14 June at column 599 were substantial and complex. I am afraid that any estimate which attempted to project those changes back over previous years would be disproportionately costly and serve no practical purpose. The following table does, however, show the increases in expenditure in each of the Thames regions either side of the 1982 changes, and traces their distance from RAWP targets over the period. I hope that this goes some way towards meeting my hon. Friend's request.

Percentage real increase in revenue expenditure and distance from 'target' in the Thames regions

	Financial Year				
	1978-79	*1981-82*	*1982-83*	*1984-85*	*1985-86*
North West Thames					
Expenditure £ million	374·3	641·2	625·4	694·6	713·0
Percentage Increase	—	12·3	—	1·6	—
Distance from "target" per cent.	+13·29	+12·33	+9·62	+8·01	+7·10
North East Thames					
Expenditure £ million	409·0	692·6	790·0	865·7	903·4
Percentage Increase	—	11·0	—	0·3	—
Distance from "target" per cent.	+12·52	+8·86	+11·32	+8·99	+9·71
South East Thames					
Expenditure £ million	391·4	654·7	692·3	764·5	789·6
Percentage Increase	—	9·6	—	1·1	—
Distance from "target" per cent.	+10·70	+8·87	+8·48	+6·50	+5·59
South West Thames					
Expenditure £ million	301·2	511·4	526·5	586·0	602·8
Percentage increase	—	11·3	—	1·8	—
Distance from "target" per cent.	+5·87	+5·67	+5·86	+7·31	+4·29

Notes:

1. Expenditure is the actual revenue expenditure from health authorities' summarised accounts for 1978-79, 1981-82 and 1982-83; provisional outturn for 1984-85; and initial cash limits for 1985-86.
2. Percentage increase represents the real increase in expenditure after taking account of general inflation as measured by the Gross Domestic Product deflator.
3. The distance from 'target' shows the Region's distance from its 'target' fair share of the available resources calculated according to the formula recommended by the Resource Allocation Working Party. Changes in distance from 'target' between 1981-82 and 1982-83 are affected by the 1982 boundary and management changes.

Perinatal Pathologists

Mrs. Renée Short asked the Secretary of State for Social Services what steps he has taken to refer to regional health authorities the recommendation contained in paragraph 66 of the third report from the Social Services Committee, Session 1983-84, HC 308, on perinatal and neonatal mortality, to the effect that those regional health authorities without a full-time consultant perinatal pathologist should make such an appointment.

Mr. John Patten: This recommendation reiterated one contained in the second report of the Social Services Committee which was published in 1980. This report and our response to it were distributed to all health authorities at that time.

Since then, the maternity services advisory committee has issued its reports on good practice in the maternity and neonatal services. It also recommended that each regional health authority should consider the appointment of at least one experienced pathologist with expertise and interest in perinatal pathology. We have commended these reports to all health authorities, and indicated that they should review their services, and take action if necessary.

Pensions (Costs)

Dr. McDonald asked the Secretary of State for Social Services if he will give an estimate of the costs of the basic retirement pension, supplementary pension, housing benefit, and state earnings-related pension scheme itemised separately *(a)* if the state earnings-related pension scheme is not phased out and *(b)* if the state earnings-related pension scheme is phased out according to the Green Paper proposals, for the following years: 1988-89, 1993-94, 2003-04, 2013-14, 2023-24 and 2033-34.

Mr. Newton: The estimated costs at 1984-85 prices, assuming prices upratings of the basic retirement pension and additional component, if the state earnings-related pension scheme (SERPS) were not to be phased out, are as follows:

	Basic Retirement Pension £ billion	*Additional Component £ billion*
1988-89	16·4	0·5
1993-94	16·6	1·3
2003-04	16·6	4·4
2013-14	18·1	9·6
2023-24	20·0	15·7
2033-34	21·9	23·1

The only available projections of supplementary pension and housing benefit costs are the illustrative estimates given in tables 2.18 to 2.20 and paragraph 2.35 in volume 3 of the Green Paper.

If SERPS is phased out in accordance with the Green Paper proposals, savings will not start to be made until after 2002. The cost of the scheme is expected to be reduced by about half by 2023-24, and by about three quarters by 2033-34. The estimated costs of basic retirement pension would be unaffected. More precise figures will not be available until the proposals in the Green Paper have been finalised in the light of consultations.

Tisdale Insurance Ltd. (Correspondence)

Mr. Pawsey asked the Secretary of State for Social Services when he will reply to correspondence dated 3 April from the hon. Member for Rugby and Kenilworth referring to a matter raised by Tisdale Insurance Ltd.

Mr. Whitney: I regret that we have no record of having received his letter, but if my hon. Friend would like to write again I will ensure he receives a prompt reply.

Funeral Expenses

Mr. Freeman asked the Secretary of State for Social Services what representations he has received on his proposal to change the system of assistance towards funeral expenses.

Mr. Whitney: By 4 July 1985, 13 representations had been received in response to the proposal in the Green Paper "Reform of Social Security" for assistance with funeral expenses.

Cervical Cytology Recall Computer (Leicestershire)

Sir John Farr asked the Secretary of State for Social Services when the cervical cytology recall computer installed in April 1984 for use by the Leicestershire family practitioner committee will become fully operational.

Mr. Kenneth Clarke: Discussions are taking place between the Leicestershire health authority and the Leicestershire family practitioner committee with a view to implementing a computerised cervical cytology call and recall system during this financial year.

Benefit Changes

Mr. Meacher asked the Secretary of State for Social Services (1) if he will list every change to social security benefits not announced in the benefit up-rating announcement in *(a)* 1980, *(b)* 1981, *(c)* 1982, *(d)* 1983 and *(e)* 1984 which came into operation under that year's changes;

(2) what changes to the non-dependent deductions were confirmed by his Department on or before 18 June; why these were not announced on 18 June; and if he will make a statement;

(3) if he will list every change to social security which was not mentioned in his 18 June statement to the House or the accompanying schedule of main benefit changes; and if he will give a full list of the gainers and losers in each case.

Mr. Newton: Around 300 individual benefit items will be increased in this year's uprating. As in previous years,

the items covered, in addition to benefit rates, include not only the amounts of any additions or deductions to the rates, but also associated features such as earnings limits. Given the number of items to be uprated each year, it has always been the practice for the uprating statement to give details of the increases in the main weekly benefit rates plus any special changes to be made at the time of the uprating. The schedule which is placed before the House similarly covers the increases in the main rates.

The non-dependant deductions to supplementary benefit and housing benefit, which with the supplementary benefit non-householder housing addition will be increased in line with the housing element of the retail prices index this year in the usual way, have never been included in this schedule of main rates. Along with the other minor items, they are included in the various statutory instruments which will give effect to the uprating and which are being laid before the House currently. The vast majority of beneficiaries will gain from this year's uprating: the effects of increased deductions will be offset and usually outweighed by increases in benefit rates for those affected.

Mr. Meacher asked the Secretary of State for Social Services at what income levels households will lose benefit as a result of the announcement of deductions for non-dependants to take effect from 25 November.

Mr. Newton: The amount of benefit a person receives depends on a number of factors including how much income he or she has and the actual amount of any housing costs paid. It is not possible therefore to give the information requested.

Mr. Meacher asked the Secretary of State for Social Services how many households will receive reduced housing benefit as a result of the changes to take effect on 25 November if they have a *(a)* pensioner, *(b)* disabled person, *(c)* unemployed person or *(d)* young person up to 21 years, employed and unemployed, non-dependant, living with them; how much each one will lose; and how many households will lose benefit completely.

Mr. Newton: I shall let the hon. Member have a reply as soon as possible.

Housing Benefit

Mr. Gordon Brown: asked the Secretary of State for Social Services (1) if he will estimate how many persons will receive less in housing benefit, or have to pay more towards their rent and rates costs, as a result of the changes in non-dependent deductions to be implemented in November 1985; and how much money the changes involve;

(2) if he will show the weekly gross and net earnings levels at which eligibility for housing benefit will expire, assuming average amounts for rent and rates, following the proposals for the November 1985 uprating in respect of the following household types, assuming one wage-earner: *(a)* single person, *(b)* married couple, *(c)* married couple with one child, *(d)* married couple with two children, *(e)* married couple with three children and *(f)* married couple with an 18 year old in work or training, living at home; and if he will also provide information on the net income derived from these earnings levels taking account of income from child benefit and expenditure on housing costs, including water rates and average travel-to-work costs.

Mr. Newton: I shall let the hon. Member have replies as soon as possible.

Volunteer Development Workers (Benefit)

Mrs. Currie asked the Secretary of State for Social Services what proposals he has to improve the position of volunteer development workers who find that on return to the United Kingdom they are denied both unemployment benefit and supplementary benefit.

Mr. Newton: I am pleased to announce that with effect from 6 April 1986 a new special national insurance contribution will be introduced to enable volunteer development workers to earn entitlement to unemployment benefit. This will put right a long standing anomaly in the social security system, and will also enable us to comply with the European Community Council recommendation on social security for volunteer development workers which was adopted in June.

We also propose to make a change in the supplementary benefit scheme which will be of particular help to volunteer development workers returning to this country. We have today laid before Parliament the Supplementary Benefit (Resources) Amendment (No. 2) Regulations 1985 which, subject to the approval of Parliament, will come into effect in the late summer or early autumn so as to provide that earnings which have been received from full-time work overseas but which, for reasons outside the claimant's control, cannot be remitted to this country shall not be taken into account for supplementary benefit purposes. The effect will be to ensure that such persons will not be excluded from benefit on full-time work grounds by virtue of those earnings when they return to this country.

The regulations will also provide for two other beneficial but unrelated changes. Firstly, they will provide for a disregard of the capital value of a life interest or fixed term annuity and, secondly, they will correct an unintended affect of the current regulations concerning the treatment of final earnings received on termination of full-time employment so as to ensure that such earnings are not to be taken into account for any period beyond the period of full-time work exclusion. The Social Security Advisory Committee has agreed that these proposals should not be referred to it.

Written Answers to Questions

Tuesday 9 July 1985

SOCIAL SERVICES

Unemployment Benefit

79. **Mr. Fallon** asked the Secretary of State for Social Services whether he will introduce legislation to limit the payment of unemployment benefit outside the assisted areas to those genuinely seeking work.

Mr. Newton: An essential element of the social security scheme is that the qualifying conditions for benefit are the same for everyone and it would be wrong to have different rules for people in different parts of the country. Unemployment benefit is payable to people who are unemployed and who, in addition to satisfying the contribution conditions, are capable of and available for work. Those drawing benefit sign a declaration regularly that they have been unable to obtain any work and benefit is paid only on the basis that claimants, no matter where they may live, are seeking employment.

Board and Lodging

Mr. Spearing asked the Secretary of State for Social Services what representations he has received from representatives of local government in London concerning the operation of the new supplementary benefit regulations in respect of board and lodging charges for those under 25 years of age; and what reply he has sent.

Mr. Whitney: We have received a number of representations of a general nature from local government representatives and bodies in London. We have also received two letters from the housing department in the London borough of Newham. Both letters concern an individual affected by the restrictions on payment as a boarder. The local office has been asked for a full report on these cases and a reply will be sent shortly.

Mrs. Beckett asked the Secretary of State for Social Services (1) what are the latest available figures for the period since 29 April for the number of *(a)* existing claimants and *(b)* claimants whose address has changed and new and repeat claimants of supplementary benefit board and lodging allowance, excluding those living in residential care homes, nursing homes and hostels, who have been assessed under the new benefit regulations and whose accommodation charge is *(a)* up to £5 above the upper limit, *(b)* between £6 and £10 above the upper limit, *(c)* between £11 and £20 above the upper limit, *(d)* between £21 and £30 above the upper limit, *(e)* between £31 and £40 above the upper limit, *(f)* between £41 and £50 above the upper limit and *(g)* £51 or more above the upper limit; and if he will give this information for Great Britain as a whole, for England, Wales and Scotland;

(2) what are the latest available figures for the period since 29 April for the number of *(a)* existing claimants and *(b)* claimants whose address has changed and new and repeat claimants of supplementary benefit board and lodging allowance, excluding those living in residential care homes, nursing homes and hostels, who are 25 years old or under and who have been assessed under the new benefit regulations as a result of which their benefit *(a)* has been restricted at the outset and *(b)* has not been restricted at the outset; and if he will give this information for Great Britain, for England, Wales and Scotland;

(3) what are the latest available figures for the period since 29 April for the number of *(a)* existing claimants and *(b)* claimants whose address has changed and new and repeat claimants of supplementary benefit board and lodging allowance, excluding those living in hostels, residential care homes and nursing homes, who have been assessed under the new benefit regulations and whose accommodation charge is *(a)* above and *(b)* within the new upper limits; and if he will give this information for Great Britain as a whole, for England, Wales and Scotland;

(4) what are the latest available figures since 29 April for the number of existing claimants of supplementary benefit board and lodging allowance, excluding those living in residential care homes, nursing homes and hostels, who have been assessed under the new benefit regulations and who are *(a)* aged between 16 and 17 years, *(b)* aged between 18 and 20 years, *(c)* aged between 21 and 25 years, *(d)* aged between 26 years and pension age and *(e)* pensioners; and if he will give this information for Great Britain as a whole, for England, Wales and Scotland;

(5) what are the latest available figures since 29 April for the number of claimants whose address has changed and new and repeat claimants of supplementary benefit board and lodging allowance, excluding those living in residential care homes, nursing homes and hostels, who have been assessed under the new benefit regulations and who are *(a)* aged between 16 and 17 years, *(b)* aged between 18 and 20 years, *(c)* aged between 21 and 25 years, *(d)* aged between 26 years and pension age and (e) pensioners; and if he will give this information for Great Britain as a whole, for England, Wales and Scotland;

(6) what information was used to determine the weekly upper limits for ordinary board and lodging claims by couples without dependent children under the age of 11 years provided under the Supplementary Benefit (Requirements and Resources) Miscellaneous Provisions Regulations 1985;

(7) what are the latest available figures since 29 April for the number of *(a)* existing claimants and *(b)* claimants whose address has changed and new and repeat claimants of supplementary benefit board and lodging allowance, excluding those living in residential care homes, nursing homes and hostels, who are 25 years old or under and who have been assessed under the new benefit regulations as a result of which their benefit has been restricted from the outset where (i) this restriction has been lifted subsequently and (ii) this restriction has not been lifted subsequently; and if he will give this information for Great Britain as a whole, for England, Wales and Scotland;

(8) what are the latest available figures for the period since 29 April for the number of (i) existing claimants and (ii) claimants whose address has changed and new and repeat claimants of supplementary benefit, ordinary board and lodging allowance in the Aberystwyth local Department of Health and Social Security office area who have been assessed under the new benefit regulations and whose accommodation charge is *(a)* up to £5, *(b)* between

£6 and £10, *(c)* between £11 and £20, *(d)* between £21 and £30, *(e)* between £31 and £40 and *(f)* more than £41 above the new upper limit;

(9) what are the latest available figures for the period since 29 April for the number of *(a)* existing claimants and *(b)* claimants whose address has changed and new and repeat claimants of supplementary benefit board and lodging allowance, excluding those living in hostels, residential care homes and nursing homes, in the Brighton local Department of Health and Social Security office area who have been assessed under the new benefit regulations and whose accommodation charge is (i) above and (ii) within the new upper limits;

(10) what are the latest available figures for the period since 29 April for the number of *(a)* existing claimants and *(b)* claimants whose address has changed and new and repeat claimants of supplementary benefit board and lodging allowance, excluding those living in hostel, residential care home or nursing home accommodation, in the Taunton local Department of Health and Social Security office area who are 25 years old or under and have been assessed under the new benefit regulations as a result of which their benefit (i) has been restricted at the outset and (ii) has not been restricted at the outset.

Mr. Newton: I regret that the analyses of ordinary board and lodging in all local offices including Aberystwyth, Brighton and Taunton, following the 29 April changes have not yet been completed.

Mrs. Beckett asked the Secretary of State for Social Services what arrangements he has made to monitor the effects of the Supplementary Benefit (Requirements and Resources) Miscellaneous Provisions Regulations 1985 in relation to people claiming supplementary benefit, ordinary board and lodging allowance *(a)* by sex and *(b)* by ethnic group of claimant.

Mr. Newton: There are no specific plans to monitor separately the sex or ethnic group of people claiming supplementary benefit for ordinary board and lodging following the 29 April 1985 changes.

Mrs. Beckett asked the Secretary of State for Social Services what are the latest available figures since 29 April for the number of claimants of supplementary benefit board and lodging allowance, excluding those living in hostels, residential care homes and nursing homes, who have been assessed under the new benefit rules and who are *(a)* aged 26 years or over and *(b)* aged 25 years or under whose accommodation charge is within the new upper limit and who are receiving a special addition to their benefit; and if he will give this information for Great Britain as a whole, for England, Scotland and Wales.

Mr. Newton: This information is not being collected as part of the initial statistical monitoring of claims assessed under the new rules introduced from 29 April 1985.

Mrs. Beckett asked the Secretary of State for Social Services if he intends to use his power to create exemption categories from the restrictions on young people for supplementary benefit in board and lodging to exempt *(a)* young people aged over 18 years who have no parents, *(b)* young people who have no parents in the United Kingdom because their parents have returned to their country of origin or are service people abroad, *(c)* young people who have been in care but not in the past year and *(d)* young people who need to remain in the area where they are now staying in order to have access to a child living with a separated partner.

Mr. Newton: We are considering if there is a need for the extensive list of exemptions to be increased further, in the light of representations and information from local offices.

Whipps Cross Hospital

Mr. Cohen asked the Secretary of State for Social Services what is the time scale for the plans for rebuilding work at Whipps Cross hospital; and who was consulted in their preparation.

Mr. John Patten: The information requested is not available centrally. The hon. Member may wish to approach the chairman of North-East Thames regional health authority for it.

Departmental Staff

Mrs. Rumbold asked the Secretary of State for Social Services what manpower reductions his Department has achieved in 1984-85.

Mr. Whitney: The number of staff working in the Department during 1984-85 actually increased from 90,474 at 1 April 1984 to 92,788 at 1 April 1985. This increase was due to the need to recruit additional staff during the year to handle extra work generated by the industrial dispute at the Newcastle central office. Without this dispute the Department would have achieved a modest reduction in staff numbers.

Post Neonatal Mortality

Mr. Galley asked the Secretary of State for Social Services (1) if he has issued any guidelines to health authorities regarding the monitoring of sudden infant death syndrome; and if he will make a statement;

(2) if he has issued any guidelines to health authorities regarding the implementation of special health care measures for babies at high risk from sudden infant death syndrome; and if he will make a statement;

(3) what steps he is taking to implement the recommendations of the Knowelden report on sudden infant death syndrome.

Mr. John Patten: Copies of the report by Professor Knowelden were sent to each regional general manager, regional medical officer and regional nursing officer on 5 February 1985. We expect each health authority to consider, and to keep under review, whether the incidence of sudden infant deaths indicates a need for and special action with regard to babies they feel are at risk.

Following the publication of the report the Department arranged a conference to bring together health professionals, professional bodies and others to discuss the conclusions and the wide range of recommendations in the report. Officials are now considering the main areas of concern arising from those discussions in order to identify what positive steps can be taken to reduce postneonatal mortality rates and where necessary to improve the quality of infant care.

School Leavers (Supplementary Benefit)

Mr. Nellist asked the Secretary of State for Social Services if he will reintroduce the full entitlement to supplementary benefit to the current summer's school leavers; and if he will make a statement.

Mr. Newton: Supplementary benefit entitlement for a school leaver commences from a set "terminal date" at the end of the holiday following the child's final term at school. This sytem was introduced to avoid the previous complicated and administratively costly situation where a large number of short-term claims to benefit were received from children who subsequently decided to return to school. Child benefit and any appropriate dependency additions remain payable to the parents in the interim. The system works well and we have no plans to change it.

Social Security Review

Mr. Gordon Brown asked the Secretary of State for Social Services whether in the "Reform of Social Security" it is proposed that an unemployed person who is aged less than 25 years with a partner and a dependem child should receive a lower rate of income support than a similar person aged over 25 years.

Mr. Newton: The rate of personal allowance for a couple aged under 25 would be lower than for a couple aged 25 and above. However, the amount paid for each dependent child would be the same for each couple and, in addition, the same family premium would be payable.

Supplementary Benefit

Mr. Gordon Brown asked the Secretary of State for Social Services what is his estimate of the proportion of supplementary benefit single payments to unemployed claimants which are made to claimants who are under 25 years old; and what proportion is made for furniture or other household goods.

Mr. Whitney: Information on which to base a reliable estimate is not readily available and could be obtained only at disproportionate cost.

Mr. Baldry asked the Secretary of State for Social Services what percentage of those currently on supplementary benefit are entitled to more than £63 per week.

Mr. Whitney: I regret that the exact information requested is not available. At December 1983, the latest date for which information is available, 4 per cent. of supplementary benefit claimants received benefit of more than £60 a week.

Mr. William Ross asked the Secretary of State for Social Services what is his estimate of the number of *(a)* men and *(b)* women who do not receive supplementary benefit because their spouse is earning.

Mr. Whitney: I regret that no information is kept of the number of unsuccessful claims caused by earnings of a spouse.

Tinnitus Clinic (University College Hospital)

Mr. Ashley asked the Secretary of State for Social Services if he has yet reached conclusions on the research report on the tinnitus clinic at University College hospital; if he will make funds available for the maintenance of the clinic; and if he will make a statement.

Mr. John Patten: The results of the multi-centre field trial of tinnitus maskers, in which the tinnitus clinic at University College hospital took part, are now being evaluated. The question of funding for the clinic is a matter for Bloomsbury health authority.

NHS (Hearing Aids)

Mr. Ashley asked the Secretary of State for Social Services what is the longest and shortest average period for which deaf people have to wait for the provision of National Health Service hearing aids; if he will provide a tabular breakdown of these figures according to each health authority; and if he will make a statement.

Mr. Newton: I refer the right hon. Member to my reply to my hon. Friend the Member for Brighton, Kemptown (Mr. Bowden) on 24 May at column *587*.

NHS (Expenditure)

Mr. Michael Brown asked the Secretary of State for Social Services (1) what was the total expenditure on National Health Service ancillary services for the latest available year including practitioner service staff;

(2) what was the total expenditure on National Health Service professional and technical services for the latest available year;

(3) what was the total expenditure on National Health Service administrative and clerical services for the latest available year;

(4) what was the total expenditure on National Health Service works and maintenance services for the latest available year.

Mr. John Patten: I shall let my hon. Friend have replies as soon as possible.

Royal Victoria Infirmary, Newcastle

Mr. Michael Brown asked the Secretary of State for Social Services if he will examine whether the decision concerning tenders for domestic services at the Royal Victoria infirmary in Newcastle conforms with health circular HC(83)18.

Mr. Kenneth Clarke: We are looking into Newcastle health authority's decision and I will write to my hon. Friend in due course.

Mentally Handicapped People

Mr. Hannam asked the Secretary of State for Social Services (1) for each district health authority and for each regional health authority, what is the number of young people between the ages of 16 and 19 years living in long-stay mental handicap hospitals; and for each authority what is the number living in units of *(a)* 25 or more beds and *(b)* under 25 beds;

(2) for each district health authority and for each regional health authority, what is the number of children in long-stay mental handicap hospitals; and for each authority what is the number living in units of *(a)* 25 or more beds, *(b)* under 25 beds.

Mr. John Patten: Information is not collected centrally in precisely the form requested. I shall let my hon. Friend have the available information as soon as possible.

Housing Benefit

Mrs. Beckett asked the Secretary of State for Social Services how many households on supplementary benefit are subject to non-dependant deductions from housing benefit.

Mr. Whitney: I shall let the hon. Member have a reply as soon as possible.

Children (Long-Stay Hospitals)

Mr. Hannam asked the Secretary of State for Social Services if he will issue guidelines to local authority social services departments regarding the regularity with which they review the numbers of children for whom they have responsibility in long-stay hospitals, and regarding the time scale for moving children out of such hospitals.

Mr. John Patten: Guidance on this subject was issued by the Department to both local and health authorities in 1978, and has been repeated, in connection with mentally handicapped children, in 1981 and 1983.

PRIME MINISTER

Cairo and Amman

Q19. **Mr. Latham** asked the Prime Minister whether she is now in a position to announce details of her visit to Cairo and Amman.

The Prime Minister: I have accepted invitations to visit Egypt and Jordan later this year, but I am not yet in a position to announce further details.

Falkland Islands (Fishing)

Q105. **Mr. Dalyell** asked the Prime Minister if Her Majesty's Government will have discussions with the Governments of Poland, Spain, Japan, the Union of Soviet Socialist Republics, East Germany, West Germany, Italy, Bulgaria, Denmark, Sweden, Liberia, Norway, the Philippines, Panama, Brazil and Uruguay about the number of vessels engaged in fishing operations within 150 miles of the Falklands.

The Prime Minister: I have nothing to add to the reply that I gave to the hon. Gentleman on 4 July, at column 197.

Engagements

Mr. Parry asked the Prime Minister if she will list her official engagements for Tuesday 9 July.

Mr. Peter Bruinvels asked the Prime Minister if she will list her official engagements for Tuesday 9 July.

Mr. Greenway asked the Prime Minister if she will list her official engagements for Tuesday 9 July.

The Prime Minister: This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today.

TRANSPORT

M25

Mr. Speed asked the Secretary of State for Transport if he still expects at least two motorway service areas to be fully operational on the M25 by the time it is completed.

Mrs. Chalker: I hope that the service area planned for South Mimms will be open by the time the M25 is completed. The other three service areas planned for the M25 will follow as quickly as possible.

Mr. Speed asked the Secretary of State for Transport if he can give the new expected dates for the opening of the remaining stages of the M25.

Mrs. Chalker: We expect to have the whole of the M25 open to traffic by the end of 1986. The actual opening dates of the remaining sections depend on the progress made by individual contractors, which in turn is influenced by weather and ground conditions, and by the requirements of sound traffic management.

The current contract completion dates for the unfinished sections are as follows:

Section	*Date*
M4-M40	28 July 1985
Wisley-Leatherhead	5 August 1985
Leatherhead-Reigate	26 August 1985
Leatherhead Interchange	Complete but opening depends on contracts either side.
Poyle-M4	15 September 1985
M4 Interchange	15 June 1986
Swanley-Sevenoaks	8 July 1986
Bedmond Road-A405	21 September 1986
Micklefield Green-Bedmond Road	6 October 1986
The Bell-South Mimms	26 October 1986
A405-The Bell (A6)	2 November 1986

Motor Agents Association

Mr. Speed asked the Secretary of State for Transport what requests he has received from the Motor Agents Association to have a meeting with Ministers; and what replies have been sent.

Mrs. Chalker: The association has made several requests for a further meeting to discuss the new conditions of appointment to the MOT testing scheme. Before deciding when I can meet the association, I should like to study the new proposals it says it has for improving

enforcement of the scheme. I have suggested that these are tabled at a forthcoming meeting the association is holding with my officials.

Mr. Speed asked the Secretary of State for Transport when was the last time he had discussions with representatives of the Motor Agents Association about problems of vehicle testing.

Mrs. Chalker: I met representatives of the association on 18 December last to discuss the introduction of new conditions of appointment to the MOT testing scheme.

London Area Assessment Studies

Mr. Tony Banks asked the Secretary of State for Transport if the consultants carrying out the London area assessment studies have obtained current data on traffic and travel patterns in the areas concerned.

Mrs. Chalker: A considerable amount of information has been assembled for these important studies of London's problems. Regrettably the GLC and certain boroughs have so far failed to make available the relevant material they hold. However, I hope the consultants will shortly obtain the remaining data they need.

Mr. Tony Banks asked the Secretary of State for Transport what is the total cost of the four London area assessment studies.

Mrs. Chalker: That will depend on how much work the successive stages of the studies require and the extent to which the GLC and the boroughs make relevant data available to the Department of Transport.

MV Bridgeness

Dr. David Clark asked the Secretary of State for Transport what advice the National Conservancy Council, Great Britain headquarters, gave concerning risks to wildlife connected with the salvage operations of MV Bridgeness.

Mr. David Mitchell: The Nature Conservancy Council advised that the position of the oil spill and its likely movement would put breeding birds at risk. It was aware that the Marine Pollution Control Unit already held information of breeding colonies of sea birds around our coast. It recognised that the oil was of a type which could not be chemically dispersed and was likely to be of a persistent nature and it asked to be kept informed of future movement and distribution of the oil.

Dr. David Clark asked the Secretary of State for Transport on what date and at what time did MV Bridgeness run aground on the Hats and Barrels reef; and what were the weather conditions.

Mr. David Mitchell: MV Bridgeness reported her grounding at 7.59 pm (local time) on Sunday 16 June 1985. The weather conditions were light airs, calm sea and good visibility.

Dr. David Clark asked the Secretary of State for Transport whether the MV Bridgeness was proceeding under its own power when it ran aground recently on the Hats and Barrels reef.

Mr. David Mitchell: My Department is holding a preliminary investigation into the circumstances of this grounding; but there is no present evidence that the ship was not proceeding under her own power.

Dr. David Clark asked the Secretary of State for Transport when notice of the grounding of MV Bridgeness was given to the Nature Conservancy Council, Great Britain headquarters.

Mr. David Mitchell: At 10.10 am (approximately) on Monday 17 June, after which contact was maintained.

WALES

New-born Children

Mr. Hubbard-Miles asked the Secretary of State for Wales what progress has been made since the announcement in May 1983 of his initiative to improve the quality of care for newly born children and their mothers; and if he will make a statement.

Mr. Wyn Roberts: The perinatal mortality initiative survey group has published a newsletter reporting the progress that it and the catalyst team have made in their first year and setting out their plans for the remainder of the initiative. A copy of the newsletter has been placed in he Library and it is being given a very wide distribution among those concerned with providing maternity and neo-natal care. Copies have been sent to hon. Members representing Welsh constituencies.

I am grateful for the survey group's agreement to issue this newsletter. I hope it will be widely read and provide all those professionally concerned with the care of mothers and the new born with a useful summary of the survey group and catalyst team's activities during their first year. I applaud their efforts and look forward to seeing their final report next year.

I was pleased to see that figures which have just become available show a reduction in the perinatal mortality rate in Wales from 11·3 to 10·5 deaths per thousand births, between 1983 and 1984. This is welcome news and I hope this reduction will continue.

EDUCATION AND SCIENCE

Equipment Expenditure

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what has been the local education authority expenditure on equipment, in each of the last five years, in terms of *(a)* cost, *(b)* real terms according to 1982-83 prices and *(c)* the percentage of the local education authority budget as a whole for each local education authority and for all local education authorities in total.

Mr. Dunn: The information for the last five years could be provided only at disproportionate cost. It is, however, possible to provide it for three of them but it is not possible to give the information for some authorities: expenditure on equipment is one of the items covered by the school capitation allowances and an analysis of the components of these allowances is not always available.

Expenditure On Equipment

L.E.A	£000s (Cash Terms)			£000s (Real Terms)			As a percentage of Total Net Expenditure		
	1979-80	*1981-82*	*1983-84*	*1979-80*	*1981-82*	*1983-84*	*1979-80*	*1981-82*	*1983-84*
Barking	1,601	1,436	1,509	2,233	1,535	1,443	4	3	3
Barnet	1,531	1,599	2,104	2,136	1,709	2,012	3	2	2
Bexley	891	1,006	1,065	1,243	1,075	1,018	2	2	2
Brent	1,341	1,352	1,427	1,871	1,445	1,365	2	2	2
Bromley	909	1,265	1,573	1,268	1,352	1,504	2	2	3
Croydon	945	1,000	1,409	1,318	1,069	1,347	2	1	2
Ealing	1,128	1,339	1,490	1,574	1,431	1,425	2	2	2
Enfield	710	1,167	1,379	990	1,247	1,319	2	2	2
Haringey	833	947	1,371	1,162	1,012	1,311	2	2	2
Harrow	922	1,106	1,287	1,286	1,182	1,231	3	3	3
Havering	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Hillingdon	325	309	437	453	330	418	1	1	1
Hounslow	764	1,040	1,235	1,066	1,112	1,181	2	2	2
Kingston-upon-Thames	1,174	2,188	1,764	1,638	2,339	1,687	4	6	4
Merton	611	716	888	852	765	849	2	2	3
Newham	1,113	997	960	1,553	1,066	918	3	2	1
Redbridge	630	742	772	879	793	738	2	2	2
Richmond-upon-Thames	460	604	630	642	646	602	2	2	2
Sutton	539	671	686	752	717	656	2	2	2
Waltham Forest	1,075	1,368	1,330	1,500	1,462	1,272	3	3	2
ILEA	21,493	21,593	27,590	29,983	23,081	26,384	4	3	3
Birmingham	4,145	4,038	3,972	5,782	4,316	3,798	2	2	2
Coventry	1,998	2,136	2,836	2,787	2,283	2,712	3	2	3
Dudley	847	1,604	2,288	1,182	1,715	2,188	2	3	4
Sandwell	1,672	2,018	2,263	2,332	2,157	2,164	3	3	3
Solihull	614	642	860	857	686	822	2	1	2
Walsall	1,003	1,281	1,880	1,399	1,369	1,798	2	2	3
Wolverhampton	1,518	1,941	2,466	2,118	2,075	2,358	3	2	3
Knowsley	627	702	924	875	750	884	2	2	2
Liverpool	2,765	4,687	3,916	3,857	5,010	3,745	3	3	2
St. Helens	523	542	693	730	579	663	2	1	1
Sefton	966	1,267	1,429	1,348	1,354	1,367	2	2	2
Wirral	1,191	1,367	1,855	1,661	1,461	1,774	2	2	2
Bolton	1,071	1,581	1,756	1,494	1,690	1,679	2	3	3
Bury	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Manchester	3,905	3,336	5,208	5,447	3,566	4,980	3	2	3
Oldham	N/A	1,172	1,596	N/A	1,253	1,526	N/A	3	3
Rochdale	N/A	1,117	1,122	N/A	1,194	1,073	N/A	2	3
Salford	978	1,224	1,492	1,364	1,308	1,427	2	2	3
Stockport	882	1,173	1,403	1,230	1,254	1,342	2	2	2
Tameside	676	991	1,101	943	1,059	1,053	2	2	2
Trafford	N/A	930	1,182	N/A	994	1,130	N/A	2	3
Wigan	N/A	1,463	1,827	N/A	1,564	1,747	N/A	2	2
Barnsley	763	839	1,280	1,064	897	1,224	2	2	2
Doncaster	1,282	1,556	1,627	1,788	1,663	1,556	3	2	2
Rotherham	821	1,110	1,136	1,145	1,186	1,086	2	2	2
Sheffield	2,990	4,308	4,868	4,171	4,605	4,655	3	3	3
Bradford	2,127	2,210	3,632	2,967	2,362	3,473	3	2	3
Calderdale	602	767	905	840	820	865	2	2	2
Kirklees	1,850	2,186	2,407	2,581	2,337	2,302	3	2	2
Leeds	3,034	2,194	2,458	4,232	2,345	2,351	3	1	1
Wakefield	906	1,029	1,447	1,264	1,100	1,384	2	2	2
Gateshead	769	835	1,183	1,073	893	1,131	2	2	3
Newcastle-upon-Tyne	1,693	1,614	2,008	2,362	1,725	1,920	3	2	2
North Tyneside	607	616	687	847	658	657	2	1	1
South Tyneside	923	611	877	1,288	653	839	3	2	2
Sunderland	2,038	2,096	1,956	2,843	2,240	1,871	4	3	2
Isles of Scilly	4	6	7	6	6	7	1	1	1
Avon	3,346	5,838	6,712	4,668	6,240	6,419	2	3	3
Bedfordshire	2,488	3,271	3,069	3,471	3,496	2,935	3	3	2
Berkshire	2,300	2,193	2,851	3,209	2,344	2,726	2	1	2
Buckinghamshire	1,775	2,214	2,894	2,476	2,367	2,768	1	2	2
Cambridgeshire	2,171	2,091	2,947	3,029	2,235	2,818	2	2	2
Cheshire	3,426	4,388	5,179	4,779	4,690	4,953	2	2	2
Cleveland	1,881	2,798	3,661	2,624	2,991	3,501	2	2	2
Cornwall	1,478	1,739	2,293	2,062	1,859	2,193	2	2	3
Cumbria	1,488	1,793	2,631	2,076	1,917	2,516	2	2	2
Derbyshire	2,778	3,941	2,982	3,875	4,213	2,852	2	2	1
Devon	3,446	4,373	2,882	4,807	4,674	2,756	3	2	1
Dorset	1,879	2,517	3,728	2,621	2,690	3,565	2	2	3
Durham	1,678	2,002	2,231	2,341	2,140	2,134	2	2	2
East Sussex	3,137	3,458	4,112	4,376	3,696	3,932	3	3	3
Essex	4,786	4,916	7,537	6,676	5,255	7,208	2	2	2

L.E.A	£000s (Cash Terms)			£000s (Real Terms)			As a percentage of Total Net Expenditure		
	1979-80	1981-82	1983-84	1979-80	1981-82	1983-84	1979-80	1981-82	1983-84
Gloucestershire	1,639	2,124	2,668	2,286	2,270	2,551	2	2	2
Hampshire	5,476	6,544	8,167	7,639	6,995	7,810	2	2	2
Hereford & Worcester	2,096	2,647	3,468	2,924	2,829	3,316	2	2	2
Hertfordshire	4,347	4,570	5,090	6,064	4,885	4,868	2	2	2
Humberside	3,386	5,252	6,774	4,723	5,614	6,478	2	3	3
Isle of Wight	510	607	866	711	649	828	3	3	3
Kent	5,361	6,111	8,086	7,479	6,532	7,733	2	2	3
Lancashire	5,083	5,950	8,097	7,091	6,360	7,743	2	2	2
Leicestershire	4,267	5,385	6,931	5,952	5,756	6,628	3	3	3
Lincolnshire	1,558	2,007	2,930	2,173	2,145	2,802	2	2	2
Norfolk	2,864	2,867	3,441	3,995	3,065	3,291	3	2	2
North Yorkshire	2,056	2,675	3,228	2,868	2,859	3,087	2	2	2
Northamptonshire	1,892	3,080	9,539	2,639	3,292	3,384	2	3	3
Northumberland	1,022	562	1,393	1,426	601	1,332	2	1	2
Nottinghamshire	4,191	6,855	8,763	5,846	7,327	8,380	3	3	3
Oxfordshire	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Shropshire	1,210	1,497	1,733	1,688	1,600	1,657	2	2	2
Somerset	1,412	1,960	3,040	1,970	2,095	2,907	2	3	3
Staffordshire	2,348	5,463	7,028	3,275	5,839	6,721	1	2	3
Suffolk	2,000	2,251	3,174	2,790	2,406	3,035	2	2	3
Surrey	2,523	2,832	3,950	3,520	3,027	3,777	2	2	2
Warwickshire	1,353	2,038	2,591	1,887	2,178	2,478	2	2	2
West Sussex	2,033	2,529	2,876	2,836	2,703	2,750	2	2	2
Wiltshire	2,002	2,537	2,630	2,793	2,712	2,515	3	2	2
England	183,471	225,509	275,625	255,942	241,046	263,581	2	2	2

N/A=not available.

Notes:

1. The expenditure covers educational tools, equipment and materials including supplies for cookery courses and repairs and maintenance to equipment. It does not include premises, cleaning, domestic or administrative equipment.
2. Real terms are the cash terms adjusted by the Gross Domestic Product (Market Prices) Deflator (1982-83—100).
3. The expenditure on equipment has been expressed as a percentage of each authority's grand total net expenditure on education.

Teacher Training

Mrs. Renée Short asked the Secretary of State for Education and Science if he will list the numbers of university and polytechnic graduates who have started teachers' training courses in each academic year since 1978-79.

Mr. Dunn: On the basis of the available information, the number of students entering postgraduate courses of initial teacher training in each academic year since 1978-79 is estimated as follows:

	Number
1978-79	9,337
1979-80	9,441
1980-81	11,278
1981-82	11,333
1982-83	8,887
1983-84	8,414
1984-85	8,572

Information is not available for each of these years on the number of such students who completed their first degrees in universities and in public sector institutions respectively.

Secondary Schools (Articles of Government)

Mr. Ashley asked the Secretary of State for Education and Science which local education authorities since November 1982 have sought his permission to change their articles of government for secondary schools; which of these authorities were given permission; which were denied permission; and, in each case, what were the reasons for the refusal.

Mr. Dunn: I shall reply to the right hon. Member as soon as possible.

NATIONAL FINANCE

Investment

Mr. Best asked the Chancellor of the Exchequer (1) if he will give, for each of the years for which figures are available since 1979, the amount of inward investment into the United Kingdom from abroad, expressed as a percentage of the national investment portfolio;

(2) if he has any evidence of a correlation between the absence of exchange controls and the level and trend of investment in the United Kingdom; and if he will make a statement;

(3) what information he has as to the percentage of the national investment portfolio which has been invested abroad for each of the years for which figures are available since 1979.

Mr. Peter Rees: It is difficult to quantify the effect of the abolition of exchange controls in 1979 on domestic investment, since that depends on an assessment of what might have happened had the controls remained in force. There is no reason to believe that abolition was harmful to domestic investment and it could well have been beneficial, exerting downward pressure on the exchange rate and upward pressure on profitability in the traded goods sector, possibly thereby contributing to the record level of fixed investment in 1984.

The main effect, however, is likely to have been on the form of overseas investment. The increase in the net

overseas assets of the non-bank private sector, up £81 billion between 1979 and 1984, owes much to investors' ability to choose to invest in appreciating assets.

There is no one definition of the "national investment portfolio". The following table expresses the stock of overseas financial assets and liabilities held by the non-bank private sector in each year since 1979 as a percentage of the total financial assets and liabilities of the United Kingdom non-bank private sector.

Non-bank private sector

	Overseas financial assets as percentage of total financial assets	*Overseas financial liabilities as percentage of total financial liabilities*
1979	24·9	28·9
1980	25·1	28·6
1981	27·8	27·3
1982	30·3	25·6
1983	32·2	24·3
1984	35·2	22·6

Source: CSO Financial Statistics June 1985 Table 14.1.

Exchange Rates

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will bring up to date the figures given in the answer of 19 December 1984, *Official Report*, columns 187-89, to the hon. Member for Great Grimsby on the rate of exchange between the pound sterling and the central reference point of the exchange rate mechanism.

Mr. Ian Stewart: The figures requested are in the table.

Sterling-European currency unit exchange rate (end-month rates): percentage change from notional central rate

	Percentage
1984	
December	−4·07
1985	
January	−6·25
February	−4·58
March	+0·34
April	+0·60
May	+2·51
June	+3·33

Drugs

Mr. Arnold asked the Chancellor of the Exchequer what was the quantity of drugs seized by Her Majesty's Customs and Excise officers at the static controls of travellers at United Kingdom points of entry, as compared with the total quantity seized in 1980, 1981, 1982, 1983 and 1984.

Mr. Hayhoe: I regret that this information is not readily available and could be obtained only at disproportionate cost.

Travellers' Allowances

Mr. Arnold asked the Chancellor of the Exchequer if he is satisfied with the current arrangements made by Her Majesty's Customs and Excise to publicise increases in travellers' allowances, including their notification to travel operators and other interested parties.

Mr. Hayhoe: Yes. Her Majesty's Customs and Excise issues an immediate detailed press release whenever legislative effect is given to such increases. As soon as practicable thereafter, revised public notices are printed and made available to all interested parties.

Excise Duty

Mr. Bowen Wells asked the Chancellor of the Exchequer if he will estimate the revenue which would be raised by raising the duty on spirits by 25p in 1985-86.

Mr. Hayhoe: It is estimated that the full-year net revenue yield from raising the duty on spirits by 25p per bottle in 1985-86 would be about £30 million (including consequential VAT).

Lloyd's Syndicates (Tax Inspectors)

Mr. Steen asked the Chancellor of the Exchequer how many tax inspectors are employed in the special team responsible for aspects of Lloyd's syndicates; how many of them are concerned with investigating reinsurance arrangements; when they expect to complete this investigation; and if he will make a statement.

Mr. Ian Stewart [*pursuant to his reply*, 8 July 1985]: Nine tax inspectors are currently employed; and it is not possible to say when their work will be completed.

European Community Budget

Mr. Teddy Taylor asked the Chancellor of the Exchequer how many member states of the European Economic Community have taken the necessary legislative or other steps to permit their respective treasuries to make payments to the European Economic Community in terms of the undertaking of the Council on 23 April designed to enable the United Kingdom's 1985 rebate to be paid; and if he will make a statement.

Mr. Ian Stewart [*pursuant to his reply*, 8 July 1985]: In a footnote to the 1985 intergovernmental agreement six member states, including the United Kingdom, made it clear that payments under the IGA required the completion of national procedures. We do not have complete information on the present position. However our understanding is that only the Federal Republic of Germany, Greece, the Netherlands and the Republic of Ireland are yet in a position to pay.

HOME DEPARTMENT

Independent Radio (Derby, Nottingham and Leicester)

Mr. Parris asked the Secretary of State for the Home Department whether he now contemplates a regional role for independent radio in Derby, Nottingham and Leicester; and whether he will make a statement.

Mr. Giles Shaw: The Government remain committed to the principle of independent local radio. When Centre Radio in Leicester ceased broadcasting in October 1983, the successful applicant for the re-advertised contract was Leicester Sound, in which Radio Trent in Nottingham has a majority shareholding. The two stations share some programming, but Leicester Sound broadcasts its own local programmes for nine and a half hours each weekday.

As far as Derby is concerned, the reasons for approving in principle the extension of the Nottingham franchise area

were set out in the reply given to a question from my hon. Friend the Member for Hertfordshire, South-West (Mr. Page) on 28 March, at columns 284-85. My right hon. and learned Friend emphasised, however, that progress would depend on the outcome of local consultation, and that the proposed arrangements would not preclude the setting up of a separate ILR station for Derby in future if circumstances permit.

Metropolitan Police (Expenditure)

Mr. Cohen asked the Secretary of State for the Home Department what was, for each year since 1979, the amount spent by the Metropolitan police on *(a)* police control and command suites, *(b)* the fittings of senior officers' accommodation and *(c)* chauffer-driven cars.

Mr. Giles Shaw: I shall reply as soon as possible.

Police National Computer

Mr. Cohen asked the Secretary of State for the Home Department what microfiche or other similar facility exists to record information entered on the police national computer but subsequently removed; and if he will make a statement as to the extent of this record.

Mr. Giles Shaw: The national identification bureau retains a microfiche record of every record which has been deleted from the criminal names file of the police national computer. The purpose of the microfiche, which contains only the original reference number of the deleted record, is to prove that a record has been deliberately destroyed and not lost or corrupted by the computer.

Winson Green Prison

Mr. Rooker asked the Secretary of State for the Home Department how many persons have served prison sentences of less than one week at Winson Green prison, Birmingham, in the past three months.

Mr. Mellor: According to the records held centrally, about 20 persons were initially received into Birmingham prison in the period 1 March to 31 May 1985 to serve sentences of less than one week.

Sentenced Persons (Transfers)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department which countries have ratified the Council of Europe convention on the transfer of sentenced persons; from how many of these countries British prisoners will become eligible for transfer to the United Kingdom on 1 August; and when prisoners in the other signatory countries will become eligible for such a transfer.

Mr. Mellor: The convention has been ratified by Sweden, France, Spain, the USA, the United Kingdom and Canada. The transfer of British prisoners under the convention will become possible from Sweden, France, Spain and the USA on 1 August and from Canada on 1 September. The transfer of British prisoners under the convention from other signatory countries will be possible when the convention is in force for those countries, that is from the first day of the month following the expiry of a period of three months after the date of their ratification.

Voluntary After-care Hostels

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what is the average cost to public funds of a place in a voluntary after-care hostel.

Mr. Mellor: The information is not readily available and could be provided only at disproportionate cost. In addition to grant from the Home Office towards the revenue costs of places in the voluntary after-care scheme, which averages about £1,000 a year per place, some projects receive capital and revenue funding from other Government Departments. Also, many residents receive social security benefits to meet the cost of hostel charges; the probation service makes an unquantifiable contribution to the management of these places; and projects run by voluntary organisations with charitable status may receive some tax benefit.

Dogs

Mr. Murphy asked the Secretary of State for the Home Department what criteria are used in confirming byelaws to ban dogs from enclosed recreation grounds and children's play areas.

Mr. Mellor: The criteria applied are whether the grounds and areas require special protection from dogs and whether adequate alternative areas exist locally for the exercise of dogs. We normally accept the need for a ban in respect of enclosed children's play areas. Careful consideration is given to all representations received from members of the public.

Roberto Fiore (Extradition)

Mr. Cohen asked the Secretary of State for the Home Department if he has received a request from the Italian Government for the extradition of Roberto Fiore from the United Kingdom to Italy.

Mr. Mellor: In 1981 the Government of Italy requested the extradition of Mr. Fiore, together with six others, as a person accused of murder, attempted murder, robbery and arson. The case was referred to Bow Street magistrates' court, but in February 1982 the chief magistrate discharged Mr. Fiore because a prima facie case had not been established against him. No further request for his extradition has been received.

Reubens Hotel Bomb

Mr. John David Taylor asked the Secretary of State for the Home Department if he knows from which country the explosives and detonators in the bomb found at the Reubens hotel, London, originated.

Mr. Brittan: Criminal charges have now been brought in connection with the device found at the Ruebens hotel and it would not be appropriate for me to comment on its origin.

Prisoners

Mr. Robert Sheldon asked the Secretary of State for the Home Department, pursuant to his answer to the hon. Member for Knowsley, North (Mr. Kilroy-Silk) on 5 June, *Official Report*, column *158*, if he will publish the cost of each of the 16 new prisons within the prison building programme.

Mr. Mellor: The estimates are as follows:

	£000
Wayland, Norfolk	16,500
Stocken, Leicestershire	12,500
Thorn Cross, Cheshire	8,500
Full Sutton, Humberside	19,700
Mount, Hertfordshire	16,730
Littlehey, Cambridgeshire	17,900
Swaleside, Kent	21,932
Garth, Lancashire	24,313
Woolwich, Greater London	50,975
Brinsford, Staffordshire	18,460
March, Cambridgeshire	23,700
Bicester, Oxfordshire	27,600
Lancaster Farms, Lancashire	13,000
Milton Keynes, Buckinghamshire	28,600
Ashford, Middlesex	30,000
Site in North Region	30,000

The total estimated cost is now just over £360 million. The figure of approximately £340 million given in my reply to a question from the hon. Member for Knowsley, North (Mr. Kilroy-Silk) on 5 June, at columns *157-58*, was based on estimates made in January 1985, the latest then available.

Soho (Bomb)

Mr. John David Taylor asked the Secretary of State for the Home Department what information he has as to the origin of the TNT in the bomb at Great Windmill street, Soho, on Saturday 15 June; and if he will make a statement.

Mr. Brittan: I understand that the TNT was of a Soviet type and originated within the Soviet bloc, but it is not known exactly where it was manufactured.

Fires

Mr. Burt asked the Secretary of State for the Home Department (1) if he will give the figures for fatal and non-fatal casualties from accidental fires in dwellings by source of ignition in 1978, 1979, 1980, 1981, 1982, 1983 and 1984;

(2) if he will give the latest available figures of fires in dwellings and other occupied buildings by source of ignition.

Mr. Giles Shaw: Information for the years 1978 to 1983 on casualties in accidental fires in dwellings in the United Kingdom, analysed by source of ignition, is published in table 11 of the issue of "Fire Statistics United Kingdom" for 1983. A more detailed analysis by source of ignition of the numbers of all fires in both dwellings and other occupied buildings and of the resulting casualties, is given for 1983 in table 32 of this publication. Corresponding analyses for earlier years are published in the issues for those years, except that for years before 1981, this more detailed analysis was on a slightly different basis. Information for 1984 is not yet available.

Police (Discipline)

Mr. Dobson asked the Secretary of State for the Home Department if he will list for each year since 1979 the number of appeals from police disciplinary hearings he received, the number of such appeals he referred to an appeal tribunal under the 1975 criteria, the number he referred to an appeal tribunal other than under the 1975 criteria, the number dealt with other than by reference to an appeal tribunal, the total and percentage where the original finding was upheld, where the original finding was reversed, where the original punishment was upheld and where the original punishment was reversed, respectively.

Mr. Giles Shaw [*pursuant to his reply*, 4 July 1985, c. *241*]: The information requested is as follows:

1979

	Total		*Dismissed*		*Punishment Varied*		*Allowed*	
		Per cent.		*Per cent.*		*Per cent.*		*Per cent.*
Number of appeals received	*78		58	74	7	9	3	4
Referred to tribunal under 1975 criteria	20	26	15	19	2	3	3	4
Referred to tribunal exceptionally	—		—		—		—	
Not referred to a tribunal	48	61	43	55	5	6	—	

1980

	Total		*Dismissed*		*Punishment Varied*		*Allowed*	
		Per cent.		*Per cent.*		*Per cent.*		*Per cent.*
Number of appeals received	*62		43	69	5	8	4	6
Referred to tribunal under 1975 criteria	12	20	9	15	1	2	2	3
Referred to tribunal exceptionally	1	2	1	2	—		—	
Not referred to a tribunal	39	63	33	53	4	6	2	3

1981

	Total		Dismissed		Punishment Varied		Allowed	
		Per cent.		Per cent.		Per cent.		Per cent.
Number of appeals received	*71		50	70	8	11	3	4
Referred to tribunal under 1975 criteria	18	25	12	16	5	7	1	1
Referred to tribunal exceptionally	1	1	1	1	—		—	
Not referred to a tribunal	42	59	37	52	3	4	2	3

1982

	Total		Dismissed		Punishment Varied		Allowed	
		Per cent.		Per cent.		Per cent.		Per cent.
Number of appeals received	*91		67	74	7	8	1	1
Referred to tribunal under 1975 criteria	23	25	16	18	6	7	1	1
Referred to tribunal exceptionally	1	1	1	1	—		—	
Not referred to a tribunal	51	56	50	55	1	1	—	

1983

	Total		Dismissed		Punishment Varied		Allowed	
		Per cent.		Per cent.		Per cent.		Per cent.
Number of appeals received	*76		46	61	6	8	2	3
Referred to tribunal under 1975 criteria	28	37	10	13	3	4	1	1
Referred to tribunal exceptionally	—		—		—		—	
Not referred to a tribunal	40	53	36	47	3	4	1	1

1984

	Total		Dismissed		Punishment Varied		Allowed	
		Per cent.		Per cent.		Per cent.		Per cent.
Number of appeals received	*76		13	17	2	3	1	1
Referred to tribunal under 1975 criteria	30	39	—		—		—	
Referred to tribunal exceptionally	1	1	—		—		—	
Not referred to a tribunal	36	47	13	17	2	3	1	1

* Includes appeals withdrawn before determination which have not been shown elsewhere.

Notes:

The figures in the second, third and fourth columns, giving the results of appeals, reflect the outcome of the appeals received in the year in question, although not necessarily determined in that year. An appeal may be in respect of more than one charge: the outcome shown is in respect of the most serious punishment appealed in each case.

Fifteen appeals lodged in 1983 and 51 in 1984 remain to be determined.

AGRICULTURE, FISHERIES AND FOOD

Tourism (Hill Farmers)

Mr. Harris asked the Minister of Agriculture, Fisheries and Food if he will make a statement on his plans to introduce new measures to encourage hill farmers to branch out into tourism and craft industries as well as for assistance for young farmers; and whether such tourist measures will also apply to the Isles of Scilly.

Mr. Jopling: I refer my hon. Friend to the statutory instruments which I laid before Parliament yesterday and to my reply to my hon. Friend the Member for Ilford, South (Mr. Thorne). If Parliament approves these instruments, young farmers will be eligible for capital grants at a quarter above the basic rates and tourism and craft grants wil be available in LFAs at 25 per cent. Both of these measures will apply to the Isles of Scilly.

Young Farmers (Grants)

Mr. Nicholas Baker asked the minister of Agriculture, Fisheries and Food if, following the agreement reached at the meeting of the EC Council (Agriculture) on 11 and 12 March, he will now announce a scheme of grants to young farmers who take over the management of their farms from their parents.

Mr. Jopling: I intend to assist young farmers by paying them a supplement of 25 per cent. on aid given under improvement plans. The statutory instruments which will give effect to this measure, and introduce the other new capital grants arrangements as from 1 October, was laid before the House in draft yesterday.

Land Drainage and Flood Prevention

Sir John Farr asked the Minister of Agriculture, Fisheries and Food when he will publish the aggregate results of cost-benefit appraisals of land drainage and flood protection schemes.

Mr. Jopling: I have today placed in the Library of the House a paper summarising the revised cost/benefit procedures for land drainage and flood protection schemes. This is for the use of all drainage authorities seeking grant aid in England and Wales from my Department or from the Secretary of State for Wales. The paper sets out the form in which we intend to issue the aggregate results of cost benefit appraisals for individual land drainage and flood protection schemes to interested parties, and fulfils the undertaking given in paragraph 2.11 of the consultation paper on the financing and administration of land drainage, flood protection and coast protection issued earlier this year.

TRADE AND INDUSTRY

Management Buy-outs

Sir Brandon Rhys Williams asked the Secretary of State for Trade and Industry if he will publish tables showing the information he currently has as to the development of companies established following management buy-outs with particular reference to capital employed, margins of profit earned and numbers of employees.

Mr. Fletcher: No. The Department does not collect statistics on management buy-outs and therefore has no systematic information available on the subsequent development of such companies.

Sir Brandon Rhys Williams asked the Secretary of State for Trade and Industry what is his policy in regard to the disposal of shares in management buy-outs at the time of retirement or the decease of an employee shareholder; and if he will take steps to facilitate the purchase by the company or by a trust established by the company of the shares owned by employee shareholders.

Mr. Fletcher: The disposal of shares in management buy-outs on the death or retirement of an employee shareholder is a matter for those concerned.

The Companies Act 1985 already provides for qualifying companies to purchase their own shares and if applicable this arrangement may constitute a possible route for disposal. Companies however may not retain their own shares, an important safeguard for the legitimate interests of shareholders and creditors. This principle would circumscribe further steps to facilitate arrangements of the sort suggested by my hon. Friend.

Fancy Pens (Paint Content)

Mr. Murphy asked the Secretary of State for Trade and Industry if he will take steps to prevent the sale of pens which look like vegetables and have a high level of lead and chromium in their paint.

Mr. Fletcher: The level of lead and chromium in the paint on pens is already restricted by The Pencils and Graphic Instruments (Safety) Regulations 1974 SI No. 226. At least two suppliers have already been prosecuted for selling vegetable-shaped pens with high levels of lead in the paint, and all local trading standards officers have been notified about them.

Oil Exports

Mr. John David Taylor asked the Secretary of State for Trade and Industry, pursuant to his reply on 3 July to the hon. Member for Staffordshire, Moorlands (Mr. Knox), what was the value for oil exports to other member countries of the European Community for the year to May 1985 and for 1978.

Mr. Fletcher: The figures, at current prices, are in the table.

United Kingdom exports of oil to European Community (OTS basis)*

	£ billion
1978	1·3
Year ending May 1985	11·2

* Standard International Trade Classification, division 33.
Source: Overseas Trade Statistics.

Vauxhall Cars

Mr. Speed asked the Secretary of State for Trade and Industry if he will make a statement on the progress made by General Motors towards manufacture in the United Kingdom of more cars that are sold in the United Kingdom under the Vauxhall name.

Mr. Butcher: In 1984 General Motors stated to Government its intention to work for a better balance between what it sold in the United Kingdom and what it manufactures and purchases here. Within this broad objective, Vauxhall aimed to source in the United Kingdom 65 per cent. of the cars sold here by the end of 1984. In fact Vauxhall only sourced 42 per cent. of its cars here in 1984, 45 per cent. in the current year to date, and now says it is unlikely to achieve a 65 per cent. local build over at least the next three years. The United Kingdom content even of those cars that are made here was less than 50 per cent. in 1984. The Government look to Vauxhall to provide a substantial and convincing demonstration of its willingness to move in the right direction and are continuing discussions aimed at achieving that objective.

Foam-filled Furniture

Mr. Burt asked the Secretary of State for Trade and Industry what Government-funded research is being carried out into the flammability of foam-filled furniture; and if he will make a statement.

Mr. Fletcher: The Government have contributed to the funding of research at Queen Mary college, University of London, into flexible polyurethane foam which when burnt has a reduced propensity for emitting smoke and toxic gas. Some results of this research are promising. Applications for patents have been made. A final report is expected in the autumn.

The Government have also contributed to work undertaken at the Rubber and Plastics Research Associaion into standardising ignition sources for testing furniture, with a view to obtaining international agreement on appropriate standards.

Mr. Burt asked the Secretary of State for Trade and Industry what information he has as to research other than Government-funded research being carried out into the flammability of foam-filled furniture; and if he will make a statement.

Mr. Fletcher: We are advised from time to time of allegedly new discoveries for reducing the flammability of foam-filled furniture. None has yet fulfilled the ultimate

requirement of enabling manufacturers to make their full variety of furniture resistant to match ignition (or otherwise of significantly reduced flammability) without imposing some burdens of increased cost and reduced comfort. Some of these advances have found application in the manufacture of contract furniture for a variety of purposes. Development of such techniques, so that they may be applied in the domestic market, is clearly very desirable.

Cigarettes

Mr. Burt asked the Secretary of State for Trade and Industry (1) what information he has as to research other than Government-funded research being carried out into the self-extinguishing cigarette; and if he will make a statement;

(2) what Government-funded research is being carried out into the self-extinguishing cigarette; and if he will make a statement;

(3) what information he has as to research being carried out in Australia and the United States into the self-extinguishing cigarette; and what assessment has been made of the implications for British research in this area.

Mr. Fletcher: No Government funded research is being carried out in the United Kingdom into the self-extinguishing cigarette. We are not aware of research other than Government-funded work either. The independent scientific committee on smoking and health has not been approached with any request for a review of any additive intended to make cigarettes self-extinguishing. The committee will no doubt have its own view of the priority to be attached to saving life by reducing the inhalation hazard of cigarette smoking versus that which might be achieved by reducing the smouldering capacity of cigarettes.

Some years ago the National Bureau of Standards in the United States conducted a survey on the ability of cigarettes to continue smouldering when placed in a situation comparable to that under which upholstery ignitability is tested. Considerable variation was shown in this property, which appeared to be related to the dimensions of cigarettes and the presence or absence of filter tips. I am not aware of any follow-up work having been undertaken in the United States. Nor do I have any information on Australian research in this area.

A straightforward survey of this kind would update the information now available and serve as a useful basis for further consideration of this topic. The Government are therefore arranging for this to begin shortly.

Chrysoidine Dye

Mr. Mason asked the Secretary of State for Trade and Industry if he has now perused the specialist research paper produced in the *Lancet* of 29 June on "Coarse Fishing and Risk of Urethelial Cancer", a copy of which is in his possession; if he will now issue further guidance to all bodies concerned in producing, handling and using chrysoidine dye of the dangers of bladder cancer associated with its use; if he will not consider banning this product; and if he will make a statement.

Mr. Fletcher: I am awaiting the advice of my right hon. and learned Friend the Minister for Health who is giving the paper urgent attention. It is of course a long term rather than a short term problem.

Recycling

Mr. Tony Banks asked the Secretary of State for Trade and Industry (1) what have been the results to date of the contact between the Minister responsible for recycling and the United Kingdom Reclamation Council;

(2) if he will make a statement about current Government policy on waste recycling; and whether he intends to make any changes.

Mr. Trippier: I shall reply to the hon. Member as soon as possible.

Air Pollution

Sir Hugh Rossi asked the Secretary of State for Trade and Industry if work at the National Physical Laboratory on the corrosion of metals by air pollutants has been started.

Mr. Butcher [*pursuant to his reply*, 8 July 1985]: NPL is carrying out a survey on the effects of atmospheric pollution on the corrosion of metals, in order to quantify changes in rates of corrosion consequent on changes in levels of pollution over the years, and to make recommendations on further work required to facilitate cost-benefit calculations. NPL has put proposals to the Department of the Environment for research on atmospheric corrosion and these have now been agreed. The NPL expects to commence work shortly.

FOREIGN AND COMMONWEALTH AFFAIRS

European Court of Human Rights

Mr. Alton asked the Secretary of State for Foreign and Commonwealth Affairs how many times the United Kingdom has found itself involved in actions before the European Court of Human Rights; and what informatiion he has for the comparable figues for member states of the Council of Europe.

Mr. Renton: For the period since 1966, when the United Kingdom recognised the competence of the Commission to receive individual petition and the compulsory jurisdiction of the court, up to the end of June 1985 there have been 20 cases referred to the European Court of Human Rights against the United Kingdom. There were 12 findings of violation, two findings of non-violation and six cases are pending. The figures for other member states of the Council of Europe are as follows:

	Accepted right of individual petition since:	*Accepted compulsory jurisdiction of Court since*	*No of cases Referred:*	*Violations*	*Non-Violations*	*Pending*	*Terminated in some other way*
United Kingdom	14 January 1966	14 January 1966	20	12	2	6	0
Austria	3 September 1958	3 September 1958	10	5	2	3	0
Belgium	5 July 1955	5 July 1955	14	9	3	0	2

	Accepted right of individual petition since:	Accepted compulsory jurisdiction of Court since	No of cases Referred:	Violations	Non-Violations	Pending	Terminated in some other way
Denmark	13 April 1953	13 April 1953	2	0	2	0	0
France	2 October 1981	3 May 1974	1	0	0	1	0
Federal Republic of Germany	5 July 1955	5 July 1955	13	6	4	3	0
Ireland	25 November 1953	25 November 1953	3	1	1	1	0
Italy	1 August 1973	1 August 1973	9	7	1	0	1
Netherlands	28 June 1960	31 August 1954	9	6	0	3	0
Portugal	9 November 1978	9 November 1978	1	1	0	0	0
Sweden	4 November 1952	15 June 1966	5	2	2	0	1
Switzerland	28 November 1974	28 November 1974	5	2	2	1	0

ENVIRONMENT

Environment Ministers Council

Mrs McCurley asked the Secretary of State for the Environment whether he will make a statement about the outcome of the Council of Environment Ministers meeting on 27 June.

Mr. Waldegrave: I was accompanied at this meeting by my hon. Friend the Member for Coventry, South-West, (Mr. Butcher), the Parliamentary Under-Secretary of State for Trade and Industry.

In the context of a proposed directive on standards for car exhaust emissions the council reached an agreement, ad referendum in the case of the United Kingdom and subject to a general reserve by Denmark. The United Kingdom hopes to confirm its agreement at an early meeting of the Council; meanwhile, a number of outstanding technical points remain to be satisfactorily clarified.

The standards in the agreement are as follows:

*Category of vehicle	†Implementation dates	Grammes per ECE test: Carbon Monoxide	Hydrocarbons and nitrogen oxides	Nitrogen oxides
more than ‡2 litres	1988-89	25	6·5	3·5
1·4-2 litres	1991-93	30	8·0	No separate limit
Less than 1·4 litres				
Stage 1	1990-91	45	15·0	6·0
Stage 2	1992-93	Limits to be decided before the end of 1987		

* The table sets out the type approval limits for passenger cars. Diesel engined cars of more than 2 litres are treated as if their cubic capacity lies between 1·4 and 2 litres.

† The date in each year is 1 October. The first date is the earliest that member states may require new type approvals to meet the standard. The second date is the earliest that member states may require all newly registered cars to meet the standard.

‡ Cars in this category which satisfy US 1983 test criteria will also qualify for Community type approval. The duration of the availability of this alternative will be settled in the light of decisions, to be taken by the end of 1987, on the new European test cycle.

Subject to a parliamentary reserve by the United Kingdom the Council discussed a proposed directive to provide limit values and quality objectives for discharges of certain dangerous substances to the aquatic environment. Progress was made in examining the text aand towards the inclusion of DDT and pentachlorophenol, but no decisions were reached on the proposal to include chloroform and carbon tetrachloride. A brief discussion on the proposed directive on the disposal of waste from the titanium dioxide industry indicated that all member states wished to see the reduction or elimination of pollution from this source, but there was no agreement on how this should be achieved. The proposal was remitted for further consideration at the next Environment Council.

All member states welcomed a new proposal for a directive to continue indefinitely as from 1 October the present ban on the importation into the Community of skins of harp and hooded seal pups and products derived therefrom. This was remitted for urgent examination with a view to early agreement.

Substantial agreement was reached on a proposed directive to restrict further the marketing and use of polychorinated byphenyls (PCBs) and polychlorinated terphenyls (PCTs). Member states will be obliged to prohibit the new use of these substances in existing applications by July 1986. The new measures will apply to preparations (including used oils) with a PCB/PCT content higher than 0·01 per cent. by weight.

The Council received an interim report on the Commission's review of the technological and economic implications of the proposed directive on the control of emissions from large combustion plants.

The Commission responded to my earlier requests with a statement on progress towards the integration of the environmental and agricultural policies in the Community. This work will be reflected in the "Green Paper", which the Commission intends to publish in July on the prospects for the CAP, for the purposes of public consultation. This will be followed by a full report on the subject of the integration of these policies to be given to the next meeting of the Environment Council in November.

I introduced a memorandum calling for Community action to encourage the widespread production and sale of decorative paint containing no deliberately added lead.

This was very favourably received and the Commission will examine the question and bring forward appropriate proposals for consideration by Ministers.

The Council formally adopted previously agreed directives on the assessment of the environmental effects of certain public and private projects and on containers of liquids for human consumption, and a decision on a Commission work programme concerning an experimental project for information on the state of the environment and natural resources in the Community. Other instruments adopted were a regulation to amend the protection given to cyclamen under a previous Council regulation implementing within the Community the Convention on International Trade in Endangered Species, and a decision on a supplement in respect of cadmium to the Convention of the Rhine against chemical pollution.

Housing (Multiple Occupation)

Mr. Ernie Roberts asked the Secretary of State for the Environment if he will introduce legislation to provide grants to co-operatives composed of tenants in mansion blocks seeking to acquire an equity interest in the dwellings they occupy; and if he will make a statement.

Sir George Young: The Government have no such plans at present, but it is open to groups of tenants wishing to purchase the freehold of the mansion blocks in which they live to seek mortgage finance in the private sector.

Job Seekers (Housing)

Mr. Holt asked the Secretary of State for the Environment what plans he has to improve housing prospects for prospective job seekers from the north obtaining employment in the south of England.

Sir George Young: Transfers between different areas have been facilitated by the national mobility scheme, the tenants exchange scheme and the right to exchange, all developed by this Government. The Government have now made available £3,051 million for investment in public housing in England, including £2,321 million for local authorities. It is for individual authorities to consider the housing needs in their areas including those of people seeking work.

Wild Birds (Habitat Conservation)

Dr. Cunningham asked the Secretary of State for the Environment (1) if he will list those documents or papers he has received from the European Commission since 1 January 1984 which contain or refer to lists of sites in the United Kingdom which in the opinion of the Commission qualify for listing as special protection areas under directive 79/409 on the protection of wild bird habitats generally;

(2) if he will list any documents or papers which have been tabled or discussed at the Committee for the Adaptation on Technical and Scientific Progress established under directive 79/409 since 1 January 1984, which contain lists or refer to lists of sites in the United Kingdom which in the opinion of the European Community Commission qualify for listing as special protection areas under directive 79/409 on the conservation of wild birds.

Mr. Patrick Jenkin: Under the rules of procedure of the committee for the adaptation on technical and scientific progress established under directive 79/409, its proceedings are confidential. No documents of the kind referred to have been received outside the committee.

Local Authorities (Expenditure)

Mr. Ashdown asked the Secretary of State for the Environment whether local authorities which exceeded their expenditure limit as a result of making use of the technical and vocational education initiative related to in-service training support for the period 1985 to 1987 are liable to be rate-capped.

Mr. Kenneth Baker: Approved schemes are funded in full by specific grant; expenditure will therefore not count as total expenditure for rate support grant purposes. It will therefore not affect authorities' liability to be selected for rate limitation.

Mr. Tony Banks asked the Secretary of State for the Environment if he will list the allowable expenditure and the actual expenditure of each metropolitan district or borough council under section 137 of the Local Government Act for the financial year 1983-84.

Mr. Kenneth Baker: Following is the information based on returns made by local authorities:

Section 137 expediture limits and actual expenditure in 1983-84 (nearest £'000)

Metropolitan Districts	*2p Rate Product*	*Actual Expenditure*
Barnsley	773,000	377,000
Birmingham	3,394,000	1,230,000
Bolton	883,000	162,000
Bradford	1,546,000	183,000
Bury	594,000	33,000
Calderdale	645,000	36,000
Coventry	1,071,000	22,000
Doncaster	978,000	0
Dudley	950,000	0
Gateshead	711,000	489,000
Kirklees	1,237,000	66,000
Knowsley	556,000	290,000
Leeds	2,353,000	0
Liverpool	1,735,000	1,639,000
Manchester	1,624,000	369,000
Newcastle-upon-Tyne	939,000	266,000
North Tyneside	663,000	206,000
Oldham	738,000	56,000
Rochdale	682,000	371,000
Rotherham	836,000	(*)
Salford	979,000	89,000
Sandwell	1,010,000	1,049,000
Sefton	971,000	0
Sheffield	1,822,000	1,007,000
Solihull	671,000	0
South Tyneside	556,000	0
St. Helens	633,000	0
Stockport	963,000	0
Sunderland	949,000	248,000
Tameside	728,000	296,000
Trafford	742,000	77,000
Wakefield	1,064,000	419,000
Walsall	865,000	(*)
Wigan	1,016,000	54,000
Wirral	1,110,000	0
Wolverhampton	846,000	533,000

* Indicates that a form (RS02) has not been returned by the authority. A zero indicates that either no expenditure was incurred or that no information was given on the return form.

Multi-storey Car Park (Bury St. Edmunds)

Sir Eldon Griffiths asked the Secretary of State for the Environment how soon he expects to appoint an inspector to hear the appeal by Mr. John Wolton against the refusal of St. Edmundsbury council's planning consent for a multi-storey car park on the cattle market site in Bury St. Edmunds.

Mr. Macfarlane: My Department has not yet received an appeal from Mr. Wolton, but he was sent the appropriate forms on 2 July. An inspector could not be appointed in advance of an appeal being lodged, in fairness to other appellants.

London Borough of Newham

Mr. Nigel Spearing asked the Secretary of State for the Environment if he will seek the view of the Audit Commission concerning the validity of the financial return made to him by the London borough of Newham dated 17 October 1984.

Mr. Kenneth Baker: Questions about the validity of an authority's financial returns are essentially matters for discussion between my right hon. Friend the Secretary of State and the authority concerned. In accordance with the usual arrangements, the Audit Commission was informed of his view that the London borough of Newham's financial return dated 17 October 1984 did not contain the best information available to him as to the council's total expenditure for 1982-83.

Residuary Body (Payments)

Mr. Tony Banks asked the Secretary of State for the Environment if he will detail the provisions he has made for the making of payments by the residuary body to employers who offer persons employment, who, by virtue of sections 84, 94 and 95 of the Employment Protection (Consolidation) Act 1978, will be precluded from becoming entitled to redundancy payments.

Mr. Kenneth Baker: Subject to Parliament's approval of the relevant provision of the Local Government Bill, I shall shortly be issuing detailed proposals for consultation.

EUROPEAN COMMUNITY

Cereal Prices (German Veto)

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs if he will make urgent representations to the European Commission about its decision to override the German veto on cereal price reductions; and if he will make a statement.

Mr. Rifkind: Such action is not called for. The Commission has stated that its precautionary measures to prevent disruption of the rapeseed and cereals markets are without prejudice to the Council's final price decisions. My right hon. Friend the Minister of Agriculture, Fisheries and Food will be pressing for price decisions to be taken at the Agriculture Council on 15-16 July.

DEFENCE

TriStar Aircraft (Conversion)

Mr. Skinner asked the Secretary of Defence what progress has been made in the conversion to tanker aircraft by Marshalls Ltd. of Cambridge of six TriStar aircraft.

Mr. Butler: The conversion work undertaken by Marshalls Ltd. is proceeding and TriStar tankers are expected to enter service with the Royal Air Force early next year.

Nuclear Bases (Military Personnel)

Mr. Allan Roberts asked the Secretary of State for Defence if he will revise the instructions given to military personnel guarding nuclear bases.

Mr. Stanley: We have no plans to do so.

Mr. Allan Roberts asked the Secretary of State for Defence if he will review the law relating to incitement to disaffection in so far as it relates to military personnel guarding nuclear bases.

Mr. Lee: No. The Incitement to Disaffection Act 1934 already adequately provides for proceedings to be taken, where appropriate, against those deliberately seeking to seduce any member of the armed forces from carrying out his duty.

Victoria Barracks

Dr. Glyn asked the Secretary of State for Defence what is the latest position on the programme for the rebuilding of Victoria barracks, Windsor.

Mr. Lee: Further to my answer of 27 March 1985, at column *249*, I can now confirm that it is proposed to start the rebuild of Victoria barracks, Windsor, in December 1986 after detailed planning. The expected completion date is June 1989 following which the barracks will be occupied by a battalion of Foot Guards.

Royal Army Veterinary Corps (Melton Mowbray)

Mr. Latham asked the Secretary of State for Defence whether he will make a statement on the future prospects and programme of work at the Royal Army Veterinary Corps unit at Melton Mowbray.

Mr. Lee: A review of dog training, carried out by a working party which included Army and RAF representatives, has recommended that the training of all service dogs should be undertaken by RAF Newton under the command of an RAVC officer. This means that the training of Army dogs currently undertaken at Melton Mowbray will be transferred to Newton by 1989.

The remaining activities of the RAVC at Melton Mowbray—the equine depot, equestrian training, the Army School of Farriery and the RAVC depot—are not affected by the recommendations of the working party. There are no plans to transfer these functions to any other location in the foreseeable future. The Army is grateful to the people of Melton Mowbray for the support which they have unfailingly given to the RAVC since the corps moved to the area in 1946, and for the pride which they have taken in the corps—pride exemplified by the grant to the corps in 1977 of the freedom of the borough. We look forward to the continuance of this happy relationship.

SCOTLAND

Labour Statistics

80. **Mr. Ron Brown** asked the Secretary of State for Scotland how many young people under the age of 25 years are currently unemployed in the Edinburgh travel-to-work area.

Mr. Allan Stewart: At 11 April 1985, the latest date for which information is available, there were 14,126 unemployed claimants under the age of 25 years in the Edinburgh travel-to-work area.

Mr. Wilson asked the Secretary of State for Scotland how many people came on to the unemployment register in Scotland during each month for the period 15 June 1984 to June 1985.

Mr. Allan Stewart: I refer the hon. Member to my right hon. Friend's letter of 22 October 1984. Information on the number of people becoming unemployed and claiming benefit during the periods requested is available in the Library.

Liquidations

Mr. Ron Brown asked the Secretary of State for Scotland how many Scottish companies went into liquidation during 1980, 1981, 1982, 1983 and 1984, respectively.

Mr. Allan Stewart: The numbers of liquidations notified for these years were published on page 58 of the

Scottish Economic Bulletin, number 31, June 1985. Copies have been provided to hon. Members with constituencies in Scotland.

World Heritage

Mr. Chris Smith asked the Secretary of State for Scotland if, further to his reply of 2 July, *Official Report*, column 90, on the designation of World Heritage sites in Scotland, he will list those sites at present under consideration; and what criteria he is using to reach a decision on the selection of proposed sites.

Mr. Ancram: The criteria are those laid down by the World Heritage Committee in the document "Operational Guidelines for the implementation of the World Heritage convention". I am arranging for a copy to be placed in the Library. An announcement concerning sites will be made as soon as possible.

EC (Agriculture Regulation)

Sir Hector Monro asked the Secretary of State for Scotland with whom he consulted outside Her Majesty's Government before accepting European Economic Community regulation 797/85.

Mr. Younger: Before European Economic Community regulation 797/85 was approved on 12 March I and my colleagues had the benefit of representations from a wide range of interests. Prior to its implementation I circulated a consultation paper to those listed below.

National Farmers Union for Scotland
Scottish Landowners Federation
The North of Scotland College of Agriculture
The West of Scotland Agricultural College
East of Scotland College of Agriculture
Crofters Commission
Countryside Commission for Scotland
Red Deer Commission
Highlands and Islands Development Board
Nature Conservancy Council
Institute of Chartered Accountants in Scotland
Scottish Agricultural Securities Corporation
Committee of Scottish Clearing Banks
Convention of Scottish Local Authorities
Scottish Tourist Board
The Scottish Building Contract Committee
National Trust for Scotland
Rural Forum Scotland
Royal Commission on the Ancient and Historical Monuments in Scotland
Scottish Development Agency
Scottish Milk Marketing Board
Association for the Protection of Rural Scotland
Aberdeen and District Milk Marketing Board
North of Scotland Milk Marketing Board
Scottish Branch of royal Institute of Chartered Surveyors
Scottish Agricultural Organisation Society Ltd.
Argival Plastics Ltd.
Royal Society for the Protection of Birds (Scottish Office)
Co-operative Union Ltd.
hayes, McCubbin MacFarlane (Agricultural Consultants)
The Planning Exchange, Glasgow
The Scottish Wildlife Trust
The British Deer Farmers' Association
The Scottish Association of Young Farmers
Friends of the Earth
The Small Farmers Association (Lewis Stewart)
Loch Lomond Planning Group, Department of Physical Planning, Strathclyde Regional Council
Lothian Region Planning Group
Highland Regional Council
Centre for the Study of Public Policy
PEIDA, Planning and Economic Consultants
Strathclyde Regional Council—Public Relations Department—Library
SDP Agriculture, Fisheries and Forestry Group

Sir Hector Monro asked the Secretary of State for Scotland if he will implement European Economic Community regulation 797/85, relating to measures to improve the efficiency of agricultural structures.

Mr. Younger: The Government's decision on the implementation of European Economic Community Regulation 797/85 was announced yesterday in the reply given by my right hon. Friend the Minister of Agriculture, Fisheries and Food to a question by the hon. Member for Ilford, South (Mr. Thorne).

Sir Hector Monro asked the Secretary of State for Scotland if he will make a statement on the implications for landowners of European Economic Community proposals for forestry under articles 15, 18, 20 and 22 of EEC regulation 797/85; and how the effect of this regulation compares with the present United Kingdom planting schemes, with particular reference to small hectarages.

Mr. Younger: The Government's decision on the implementation of EEC Regulation 797/85 was announced yesterday in the reply given by my right hon. Friend the Minister of Agriculture, Fisheries and Food to a Question by the hon. Member for Ilford South (Mr. Thorne).

With regard to articles 15, 18, 20 and 22 of the EEC Regulation, articles 18 and 22 comprise enabling provisions which have, at present, no forestry implications for landowners in the United Kingdom. The forestry provisions of article 15 will be considered in the next review, later this year, of economic conditions in the hills and uplands. It is not proposed to adopt a national scheme implementing the forestry provisions of article 20 and it is not possible, therefore, to make a direct comparison between this article's effects and those of the present United Kingdom planting schemes. The provision for shelter belts which exists under the present agricultural grant schemes will, however, be continued, with rates of grant of 15 per cent. for conifers and 30 per cent. for broadleaves. A higher grant of 60 per cent. will be paid in less-favoured areas.

Forestry

Mr. Ron Davies asked the Secretary of State for Scotland if the Forestry Commission proposes to make any further changes to its broadleaves policy following the broadleaves in Britain review seminar held on 7 May; and if he will make a statement.

Mr. John MacKay: Some alterations were made to the Forestry Commission's proposals as a result of views put forward at and following the seminar.

Teachers (Pay and Conditions)

Mr. Malone asked the Secretary of State for Scotland if he will take steps to establish a permanent independent review body for teachers' pay and conditions conditional upon teachers accepting a no strike agreement and a package of pay and conditions for the ensuing year negotiated through the statutory negotiating machinery.

Mr. Allan Stewart: My right hon. Friend and I would of course be pleased to examine any package on pay and

conditions of service from the Scottish joint negotiating committee for teaching staff in school education which included a no strike agreement. I understand that at least one teachers union would be prepared to discuss positively a no-strike agreement. But there seems no prospect that the largest union, the Educational Institute for Scotland which has pursued a policy of targetting strikes on constituencies represented by my right hon. and hon. Friends, would be prepared to consent to such an agreement. I see no case to change the existing statutory arrangements for determining teachers' salaries and conditions of service.

Psychotropic Drugs

Mr. Wilson asked the Secretary of State for Scotland how may psychotropic drug prescriptions were written in 1984; and what percentage of the total were prescribed to females.

Mr. John MacKay: This information is not available.

Doctors

Mr. Wilson asked the Secretary of State for Scotland how many doctors there were in the National Health Service in Scotland in 1984; how many of the total were female; and how many female doctors were consultants or specialists.

Mr. John MacKay: At 30 September 1984 there were 10,508 (9,383 whole-time equivalent) doctors in the National Health Service in Scotland including hospital, community health and general practice; 2,704 (2,317·4 whole-time equivalent) were female of whom 242 (225 whole-time equivalent) were consultants or specialists in community medicine.

Cancer

Mr. Wilson asked the Secretary of State for Scotland if he will publish figures in the *Official Report* of the number of deaths in 1984 in Scotland from *(a)* breast cancer and *(b)* cervical cancer.

Mr. John MacKay: The provisional figures are 1,248 (1,242 female and 6 male) and 227 (all female) respectively.

EMPLOYMENT

Greater Manchester

14. **Mr. Tony Lloyd** asked the Secretary of State for Employment how many new jobs have been created within the Greater Manchester areas since 1979.

Mr. Peter Morrison: The precise information requested is not available. However, in the north west region the number of people employed decreased between 1979 and 1983 since when there has been a slight increase.

Wages Councils

15. **Mr. Evans** asked the Secretary of State for Employment when he expects to announce his decision on the future of wages councils.

37. **Mr. Stan Thorne** asked the Secretary of State for Employment when he expects to announce his decision on the future of wages councils.

45. **Mr. Beith** asked the Secretary of State for Employment when he intends to publish his decision on the future of wages councils.

52. **Mr. Bob Edwards** asked the Secretary of State for Employment when he expects to announce his decision on the future of wages councils.

61. **Mr. Eggar** asked the Secretary of State for Employment if he will make a statement on the future of the wages councils.

Mr. Peter Bottomley: A decision on the future of wages councils will be made when we have completed our study of the responses to the consultative paper.

Trade Union Bill

16. **Mr. Patchett** asked the Secretary of State for Employment what plans he has to introduce a new Trade Union Bill.

26. **Mr. Garrett** asked the Secretary of State for Employment if he has any plans to introduce further legislation on trade unions.

38. **Mr. Barron** asked the Secretary of State for Employment if he has any plans to introduce further legislation on trade unions.

47. **Mr. Campbell-Savours** asked the Secretary of State for Employment if he has any plans to introduce further legislation on trade unions.

Mr. Tom King: I am considering what further steps might be taken to carry forward our successful programme of trade union reform.

Labour Statistics

17. **Mr. Knox** asked the Secretary of State for Employment how many people were out of work in the Staffordshire Moorlands parliamentary constituency at the most recent count; and what was the comparable figure for the same area in the same month in 1974.

Mr. Alan Clark: On 13 June 1985 the number of unemployed claimants in the Staffordshire Moorlands constituency was 3,450. Statistics of unemployment for parliamentary constituencies are derived from the new ward-based system and are available only from June 1983 when it is estimated that unemployment was 3,524.

18. **Mr. Wainwright** asked the Secretary of State for Employment how many men and women were in *(a)* full-time and *(b)* part-time employment in 1979 and at the latest available date in 1985.

Mr. Peter Bottomley: The latest available information is from the labour force survey conducted in the spring of 1984. A comparison with the survey conducted in the spring of 1979 is contained in the following table:

	*Employees Full-time**		*Great Britain: Thousands Part-time**	
	Male	*Female*	*Male*	*Female*
Spring 1979	12,866	5,301	239	3,651
Spring 1984	11,197	5,016	452	3,959

* An employee is shown as full-time or part-time according to whether the employee considers the job as a full-time or part-time job.

19. **Mr. Ewing** asked the Secretary of State for Employment what proportion of the work force was unemployed in April 1979; and what is the proportion unemployed at the present time.

Mr. Tom King: On 13 June 1985, the unemployment rate in the United Kingdom was 13·1 per cent. The estimate for April 1979 was 5·2 per cent.

22. **Mr. Ron Lewis** asked the Secretary of State for Employment what are the numbers of people who have been unemployed for over 12 months; and what was the figure in April 1979.

Mr. Alan Clark: On 11 April 1985 the number of claimants in the United Kingdom who had been unemployed for over 12 months was 1,334,000. The corresponding number of unemployed registrants in April 1979 was 367,000.

23. **Mr. Andrew MacKay** asked the Secretary of State for Employment if he will make a statement on the current level of unemployment.

Mr. Alan Clark: On 13 June 1985, the number of unemployed claimants in the United Kingdom was 3,179,000, which represents an unemployment rate of 13·1 per cent.

27. **Mr. Chapman** asked the Secretary of State for Employment what is his latest estimate of the total number of the working population in employment; and how this figure compares with two years before.

Mr. Alan Clark: In December 1984, the latest date for which information is available, the employed labour force in the United Kingdom (i.e. employees in employment plus the self-employed plus Her Majesty's Forces) was estimated as 24,185,000. The corresponding figure for December 1982 was 23,642,000.

29. **Mr. Redmond** asked the Secretary of State for Employment how many people are currently in work in the United Kingdom; and what were the figures for May 1979.

Mr. Alan Clark: In December 1984, the latest date for which information is available the employed labour force in the United Kingdom (i.e. employees in employment plus the self-employed plus Her Majesty's Forces) was estimated as 24,156,000. The corresponding figure for June 1979 (figures are not available for May) was 25,356,000. The figures have been adjusted to take account of seasonal variations.

30. **Mr. Ray Powell** asked the Secretary of State for Employment what are the numbers of people who have been unemployed for over 12 months; and what was the figure in April 1979.

40. **Mr. Frank Cook** asked the Secretary of State for Employment what is the latest number of people who have been unemployed for over 12 months; and what was the figure in May 1979.

Mr. Alan Clark: On 11 April 1985, the latest date for which an analysis of unemployment by duration is available, the number of claimants in the United Kingdom who had been unemployed for over 12 months was 1,334,161. It is difficult to make a comparison with May 1979 because of the change in the basis of the count in October 1982, and the 1983 Budget provisions for certain men, mainly aged over 60, who are no longer required to sign on in order to receive supplementary benefit or national insurance credits. The number of registrants who had been unemployed for over 12 months in May 1979 was 366,711.

31. **Mr. Flannery** asked the Secretary of State for Employment what proportion of the work-force was unemployed in May 1979; and what is the proportion unemployed at the present time.

54. **Mr. Torney** asked the Secretary of State for Employment what proportion of the work force was unemployed in May 1979; and what is the proportion unemployed at the present time.

Mr. Alan Clark: On 13 June 1985, the unemployment rate in the United Kingdom was 13·1 per cent., and the corresponding estimate for May 1979 was 5 per cent. The comparison is affected by the 1983 Budget provisions which meant that some men, mainly aged 60 years and over, no longer had to sign on in order to receive supplementary benefit or national insurance credits.

39. **Mr. Boyes** asked the Secretary of State for Employment what is the estimated rate of unemployment among men over 50 years of age; and how many have been unemployed for over 12 months at the latest available date.

Mr. Alan Clark: On 11 April 1985, the latest date for which an analysis of unemployment by age and duration is available, the estimated rate of unemployment for men aged over 50 years in the United Kingdom was 14·0 per cent. This figure is provisional. The number of male claimants in this age group who had been unemployed for over one year was 247,600.

43. **Mr. Tom Cox** asked the Secretary of State for Employment what is the present number of people under the age of 25 years out of work in the Greater London area.

Mr. Alan Clark: On 11 April 1985, the latest date for which an analysis of unemployment by age is available, the number of unemployed claimants in Greater London under the age of 25 years was 140,437.

46. **Mr. Blair** asked the Secretary of State for Employment what are the current numbers unemployed; and what this is as a proportion of the work force.

59. **Mr. Ashley** asked the Secretary of State for Employment what is the current level of unemployment.

66. **Mr. Woodall** asked the Secretary of State for Employment what are the current numbers unemployed; and what this is as a proportion of the work force.

75. **Mr. Cohen** asked the Secretary of State for Employment what are the current numbers unemployed; and what this is as a proportion of the work force.

Mr. Alan Clark: On 13 June 1985, the number of unemployed claimants in the United Kingdom was 3,178,582, which corresponds to an unemployment rate of 13·1 per cent.

49. **Mr. Fisher** asked the Secretary of State for Employment what is the total number of people who have been unemployed for more than 52 weeks.

63. **Mr. Dixon** asked the Secretary of State for Employment what are the numbers of people who have been unemployed for over 12 months; and what this is as a percentage of those registered unemployed.

64. **Mr. Fatchett** asked the Secretary of State for Employment what are the numbers of people who have been unemployed for over 12 months; and what this is as a percentage of those registered unemployed.

Mr. Alan Clark: On 11 April 1985, the latest date for which an analysis of unemployment by duration is available, the number of claimants in the United Kingdom who had been unemployed for over one year was 1,334,161 which was 40·8 per cent. of the total.

55. **Mr. Corbett** asked the Secretary of State for Employment what are the numbers of people in Birmingham who have been unemployed for over 12 months; and what this is as a percentage of those registered unemployed.

Mr. Alan Clark: On 11 April 1985, the latest date for which an analysis of unemployment by duration is available, the number of claimants in the Birmingham local authority district who had been unemployed for over 12 months was 46,813, which was 51·8 per cent. of all claimants in that area.

71. **Mr. Marlow** asked the Secretary of State for Employment whether he will make a statement on his estimate of the numbers who are working who are not currently counted by his Department as being employed.

Mr. Alan Clark: The Department's estimates of employment are intended to be comprehensive and it is not possible to count the numbers who have been excluded but are working.

77. **Dr. McDonald** asked the Secretary of State for Employment what is the current level of unemployment in Thurrock.

Mr. Alan Clark: On 13 June 1985, the number of unemployed claimants in Thurrock parliamentary constituency was 5,643.

78. **Mr. Hardy** asked the Secretary of State for Employment if he will list the employment areas which have over 2,000 people registered as unemployed and where the rate of unemployment exceeds 15 per cent.

Mr. Alan Clark: On 13 June 1985, the total number of unemployed claimants exceeded 2,000 and the unemployment rate exceeded 15 per cent. in the following travel-to-work areas of Great Britain:

South East
Clacton
Thanet

East Anglia
Wisbech

South West
Cinderford and Ross-on-Wye
Falmouth
Penzance and St. Ives
Redruth and Camborne
Torbay

West Midlands
Birmingham
Coventry and Hinckley
Dudley and Sandwell
Kidderminster
Telford and Bridgnorth
Walsall
Wolverhampton

East Midlands
Corby

Yorkshire and Humberside
Barnsley
Bradford
Doncaster
Grimsby
Hull
Rotherham and Mexborough
Scunthorpe
Sheffield

North West
Blackburn
Bolton and Bury
Liverpool
Pendle
Rochdale
Widnes and Runcorn
Wigan and St. Helens
Wirral and Chester

North
Bishop Auckland
Darlington
Hartlepool
Middlesbrough
Morpeth and Ashington
Newcastle-upon-Tyne
South Tyneside
Stockton-on-Tees
Sunderland
Workington

Wales
Aberdare
Bangor and Caernarfon
Bridgend
Ebbw Vale and Abergavenny
Haverfordwest
Holyhead
Llanelli
Merthyr and Rhymney
Neath and Port Talbot
Newport
Pontypool and Cwmbran
Pontypridd and Rhondda
Shotton, Flint and Rhyl
South Pembrokeshire
Swansea
Wrexham

Scotland
Alloa
Bathgate
Cumnock and Sanquhar
Dumbarton
Dundee
Falkirk
Glasgow
Greenock
Invergordon and Dingwall
Irvine
Kilmarnock
Kirkcaldy
Lanarkshire

Skill Shortages

21. **Mr. Stott** asked the Secretary of State for Employment what further representations he has received about skill shortages in British industry.

36. **Mr. Terry Lewis** asked the Secretary of State for Employment what further representations he has received about skill shortages in British industry.

73. **Mr. Litherland** asked the Secretary of State for Employment what further representations he has received about skill shortages in British industry.

Mr. Peter Morrison: During the past three months my right hon. Friend and I have received a number of letters relating primarily to skill shortages. We are aware of current concern about shortages in particular areas and the subject is kept under close review. Regular reports are compiled by the Manpower Services Commission, which takes these into account when formulating its local and national programmes.

44. **Mr. Heathcoat-Amory** asked the Secretary of State for Employment if skill shortage figures are collected centrally by his Department.

Mr. Peter Morrison: The Manpower Services Commission regularly collects information relating to skill shortages from a number of sources including surveys carried out by the Confederation of British Industry, Professional and Executive Recruitment survey of employers' needs, the survey of long duration vacancies at jobcentres and others.

Employment Schemes (Glanford and Scunthorpe)

24. **Mr. Hickmet** asked the Secretary of State for Employment if he will make a statement about the measures which his Department has taken to promote employment schemes in Glanford and Scunthorpe under the youth training scheme and community programme and other programmes; how much has been spent; and how many people have benefited thereby.

Mr. Peter Morrison: In Glanford and Scunthorpe, as elsewhere, we aim to ensure that people are fully aware of the opportunities available under the Government's training and employment measures. The numbers covered by these measures and the costs are set out in my earlier reply to my hon. Friend on 2 July at columns *143-146*.

Hotel and Catering Industry

25. **Mr. John Townend** asked the Secretary of State for Employment what information he has as to how many non-United Kingdom citizens are at present working in the hotel and catering industry in the United Kingdom.

Mr. Alan Clark: Results of the labour force survey conducted in the spring of 1984 indicate that there were some 70,000 people employed in the hotel and catering industry in the United Kingdom who were not British citizens.

Suffolk

28. **Mr. Yeo** asked the Secretary of State for Employment what steps have been taken by Her Majesty's Government to reduce the level of unemployment in Suffolk.

Mr. Alan Clark: The Government is committed to maintaining its economic policies which are directed at holding down inflation and public borrowing while encouraging enterprise, flexibility and competitiveness in industry and the labour market. That is the only way to generate lasting jobs in Suffolk and elsewhere. In the meantime we are spending well over £2 billion this year on a range of employment and training measures to help the unemployed, which are currently benefiting well over 5,000 people in Suffolk.

Youth Training Scheme

32. **Mr. Foster** asked the Secretary of State for Employment what is the latest estimated proportion of youth training scheme leavers finding employment.

Mr. Peter Morrison: The Manpower Services Commission conducts a regular survey of youth training scheme leavers. Questionnaires are sent to 15 per cent. of leavers some three months after they leave the scheme. The latest information, which is available in the Library, covers young people who left the scheme in October 1984. This shows that 49 per cent. were in work, 9 per cent. on another youth training scheme, 1 per cent. on a full-time course at a college or training centre, 1 per cent. were back at school, 38 per cent. were unemployed and 2 per cent. were doing something else.

The decrease in the proportion in work, compared to results of surveys for previous months, reflects partly the seasonal reduction in the recruitment activity of employers and partly the considerably lower number of those who left the youth training scheme in October 1984, many of them before they had completed a full period of training. A much more comprehensive picture is provided by the survey of those leaving the scheme between July and September 1984, the peak leaving period, which shows that some 60 per cent. went into employment and about two thirds went into work or full-time education or training.

34. **Mrs. Clwyd** asked the Secretary of State for Employment what additional funds will be available from the European Economic Community to finance the second year of the youth training scheme.

Mr. Peter Bottomley: Financial support from the European Community for the second year of the youth training scheme will depend on the extent to which the European Commission decides that it meets their priorities for assistance from the European social fund.

50. **Mr. Hoyle** asked the Secretary of State for Employment what steps he is taking to counteract the decline in the number of youth training scheme leavers who find employment.

Mr. Peter Morrison: The most comprehensive picture to date of those leaving the youth training scheme remains the survey of those leaving the scheme between July and September 1984. Almost half the 1984 leavers left the scheme during that period. The survey showed that some 60 per cent. went into employment and about two-thirds went into employment or full-time education and training. It can be highly misleading to look at a single month's figures in isolation because of seasonal and cyclical factors. The youth training scheme is a high quality scheme offering those who go on it a real opportunity to improve their employment prospects.

62. **Mr. Sean Hughes** asked the Secretary of State for Employment what is the retention rate among young people on youth training scheme programmes on Merseyside.

Mr. Peter Morrison: Information based on a 15 per cent. sample of young people in the Manpower Services Commission's Merseyside inner and outer areas who left the youth training scheme between July and September 1984 (when almost half 1984 leavers left the scheme) shows that, at the time of the survey, 43 per cent. were in

work, 6 per cent. on a full-time course at a college or training centre, 1 per cent. back at school and 7 per cent. on another youth training scheme programme. Of the remainder, 41 per cent. were unemployed and 2 per cent. doing something else.

68. **Mr. Leighton** asked the Secretary of State for Employment what will be the principal differences between year two and year one of the youth training scheme.

Mr. Peter Morrison: The usual pattern is likely to be broad-based foundation training in the first year, followed by more specific vocational training in the second.

72. **Mr. Sheerman** asked the Secretary of State for Employment what representations he has received concerning the proposed two-year youth training scheme.

Mr. Peter Morrison: I refer the hon. Member to my reply to the hon. Member for Greenock and Port Glasgow (Dr. Godman) earlier today.

Mr. Alton asked the Secretary of State for Employment to what factors he attributes the increase in the latest figures for drop-outs from the youth training scheme, and for those who, having completed the scheme, return to unemployment.

Mr. Peter Morrison: Results from the Manpower Services Commission's regular monthly survey of young people who have left the youth training scheme are in the Library. The latest results, for leavers in October 1984, indicate that a higher proportion of the sample left the scheme early, and show a fall in the percentage in jobs, compared with the figures for July-September 1984.

However, as the following figures show, this does not indicate an underlying increase in the proportion of young people who leave the scheme early:

1984	*Numbers in training at month end (000's)*	*Number of early leavers in month (000's)*	*Early leavers as per cent. of in training*
June	249·9	6·3	3
July	283·2	5·4	2
August	292·0	7·0	2
September	310·5	7·4	2
October	316·1	7·5	2
November	311·7	8·2	3
December	301·9	3·6	1

As I explained in my reply to the hon. Member on 21 June, at column 230, the decrease in the proportion in work shown in the survey of October 1984 leavers, compared with results of surveys for previous months, reflects partly the seasonal reduction in the recruitment activity of employers and partly the lower number of those who left the youth training scheme in that month.

A much more comprehensive picture is provided by the survey of those leaving the scheme between July and September 1984, the peak leaving period, which shows that some 60 per cent. went into employment and about two thirds went into work or full-time education or training.

Mr. Tony Banks asked the Secretary of State for Employment how many youth training scheme leavers go on to further formal work-based training provided by employers in each region and in each industry.

Mr. Peter Morrison: This information could be obtained only at disproportionate cost.

Mr. Tony Banks asked the Secretary of State for Employment how the effectiveness of the youth training scheme is being measured on a national basis.

Mr. Peter Morrison: I shall reply to the hon. Member as soon as possible.

Community Programme

33. **Mr. Greenway** asked the Secretary of State for Employment if he will make a statement on the development of the community programme.

Mr. Peter Morrison: The community programme is being expanded by 100,000 places to 230,000 filled placed by end of May 1986; 50,000 of these additional places should be available by the end of this year.

42. **Mr. Latham** asked the Secretary of State for Employment whether he will make a statement on the progress of the discussions to implement the extension of the community programme announced in the Budget.

Mr. Peter Morrison: My right hon. Friend asked the Manpower Services Commission for their views on the best means of distributing the additional places and for detailed proposals for the experiments announced in the Budget. He has now received them and is now considering their reply, and will make a statement in due course.

65. **Mr. Colin Shepherd** asked the Secretary of State for Employment if he is satisfied with the operation of the community programme.

Mr. Peter Morrison: Yes, although we are continually seeking means of improving the effectiveness and efficiency of the programme.

70. **Mr. Galley** asked the Secretary of State for Employment whether he has any plans to extend community programme places beyond 230,000.

Mr. Peter Morrison: No. Our plan is to expand the community programme by 100,000 places to 230,000 filled places by the end of May 1986. We keep all employment and training measures under review.

New Labour

35. **Mr. John Mark Taylor** asked the Secretary of State for Employment which sectors of employment have shown the greatest tendency in the last 12 months to attract and absorb new labour.

Mr. Alan Clark: Information about job gains and job losses is not available from the Department's statistics, but an indication of the net changes can be seen by comparing levels of employees in employment at different dates. The following tables list those industries in Great Britain which have shown the greatest increase in the actual number of employees in employment, and those which have increased most in percentage terms, between December 1983 and December 1984. The full list of industries, analysed according to the 1980 standard industrial classification, from which these tables are compiled are those given in table 1.4 of the labour market data section of *Employment Gazette*, copies of which are in the Library.

TABLE 1

Industries which have shown the greatest increase in the number of employees in employment between December 1983 and December 1984 (1980 SIC)

Food retailing (Activity 6410)

Management, market research and public relations consultants; typing, duplicating and copying services; employment agencies; security services, etc. (Activity 8395)
Social welfare, charitable and community services (Activity 9611)
Hotel trade (Activity 6650)
Public houses and bars (Activity 6620)
Hospitals, nursing homes, etc. (Activity 9510)
Insurance, except for compulsory social security (Activity 8200)
Retail distribution of clothing (Activity 6450)
Mixed retail businesses (Activity 6560)

TABLE 2

Industries which have shown the greatest percentage increase in employees in employment between December 1983 and December 1984 (1980 SIC)

Tourist or short-stay accommodation, excluding hotels, motels and guest houses (Activity 6670)
Hiring out consumer goods (Activity 8460)
Supporting services to inland transport (Activity 7610)
Management, market research and public relations consultants; typing, duplicating and copying services; employment agencies; security services, etc. (Activity 8395)
Manufacture of components other than active components, mainly for electronic equipment (Activity 3444)
Extraction of mineral oil and natural gas (Activity 1300)
Dealing in scrap and waste materials (Class 62)
Manufacture of domestic-type electric appliances (Activity 3460)

Leicester

41. **Mr. Janner** asked the Secretary of State for Employment what is the current rate of unemployment in the city of Leicester.

Mr. Alan Clark: On 13 June 1985, the rate of unemployment in the Leicester travel-to-work area was 10·9 per cent. Unemployment rates are not available for areas smaller than travel-to-work areas.

Worker Participation Schemes

48. **Mr. Weetch** asked the Secretary of State for Employment if he is satisfied that sufficient progress is being made to improve worker participation in accordance with section 1 of the Employment Act 1982.

Mr. Peter Bottomley: I refer the hon. Member to my reply to my hon. Friend the Member for Lincoln (Mr. Carlisle) on 10 June at column *362*.

Job Seekers (House Changes)

51. **Mr. Alex Carlile** asked the Secretary of State for Employment whether he keeps statistics on the number of people who have moved house to secure employment.

Mr. Alan Clark: The information is not available in the form requested. Results of the labour force survey conducted in the spring of 1984 indicate that some 760,000 people of working age had moved at some time within the previous 12 months because of their job or to look for work. This figure includes those who moved with an existing employer as well as those who moved to try and find a job.

School Leavers

53. **Mr. Pavitt** asked the Secretary of State for Employment what is the total number of school leavers now registered as unemployed in the parliamentary constituency of Brent, South; what is the number previously registered who have found employment during the last six months; and if he will make a statement.

Mr. Alan Clark: On 13 June 1985, the number of unemployed claimants in the parliamentary constituency of Brent South who have not had employment since leaving full-time education was 618, of which 112 were aged under 18 years. While figures showing the numbers of people ceasing to be unemployed are compiled, these are not yet available by parliamentary constituencies for the past six months, and the figures do not distinguish those finding jobs.

Strikes (Postal Ballots)

56. **Mr. Leigh** asked the Secretary of State for Employment if he will now consider introducing compulsory secret postal ballots before strike action.

Mr. Peter Bottomley: I am not aware of any factors arising from strike ballots held under the provisions of the Trade Union Act 1984 which should cause the House to seek to depart from the statutory requirements which were laid down only last year. Under the Act pre-strike ballots must be held which, so far as is reasonably practicable, provide every member concerned with the opportunity to vote either by post or at the workplace, or a place more convenient to the member, immediately before, immediately after, or during his working hours. In any case, provision must be made for voting in secret by the marking of a ballot paper, for freedom from interference and for fair and accurate counting of the votes.

Unions which refuse to consult their members, or do so by show of hands at mass meetings, now lose their legal immunity, and they have learnt that lesson. Because our requirements are seen to be fair and flexible, and appropriate to the local and ephemeral character of most decisions on industrial action, they have won acceptance. To insist on postal balloting for this purpose, with the inevitable administrative burden and delays which it involves, would risk encouraging a return to the old days of unofficial, wild-cat strikes.

Self-employed Persons

57. **Mr. Phillip Oppenheim** asked the Secretary of State for Employment what information he has as to the latest number of people who are now self-employed.

Mr. Alan Clark: There were an estimated 2,557,000 self-employed persons in the United Kingdom in December 1984.

Employees (References)

58. **Mr. Amess** asked the Secretary of State for Employment if he will introduce legislation to prevent employers giving factual references to employees which have the effect of preventing those employees from obtaining further employment.

Mr. Peter Bottomley: No. I do not think that it would be either practicable or desirable to seek to prevent employers from giving and receiving the information which they require to make a decision on whether to employ a particular individual.

Fairground Accidents

60. **Mr. David Atkinson** asked the Secretary of State for Employment if he will introduce new measures to seek to reduce the number of fairground accidents; and if he will make a statement.

Mr. Peter Bottomley: I am concerned about the serious accidents that have happened at fairgrounds in recent weeks. The Health and Safety at Work Act 1974 applies to fairgrounds. The code of safe practice at fairs, which was published last April, gives clear and comprehensive guidance to fairground operators and others on what the act requires of them. The code is being used to considerable effect to raise safety standards. Its provisions enable the Act to be readily enforced where necessary. New measures are not being proposed at present.

Trade Unions (Exclusion)

67. **Mr. Eastham** asked the Secretary of State for Employment whether Her Majesty's Government intend to reconsider their policy towards the exclusion of trade unions from certain places such as the Government communications headquarters, Cheltenham, in the light of comments by the International Labour Organisation.

Mr. Tom King: No. Our action at GCHQ was consistent with our obligations under International Labour Organisation conventions and we do not intend to change our policy; nor do we intend extending the measures in force at GCHQ beyond those agencies whose primary functions are concerned with security and intelligence.

Women (Equal Pay)

69. **Mr. Wallace** asked the Secretary of State for Employment whether he will introduce legislation to ensure greater equality of remuneration for women compared to men.

Mr. Alan Clark: Our legislation already provides for women to be paid equally with men when they are doing the same work or work of equal value. I hope that the Equal Opportunities Commission's code of practice, which came into operation on 30 April, will help to improve women's access to higher level jobs in the future.

Knitwear Operators

74. **Sir John Farr** asked the Secretary of State for Employment if he is satisfied with the availability and adequacy of training for skilled and semi-skilled knitwear operators on a national basis; and to what he attributes any local shortages.

Mr. Peter Morrison As I said in my reply to my hon. Friend on 11 June at column *406*, I am aware that the hosiery and knitwear industry is reporting recruitment difficulties. Any form of trained labour shortage is a cause for concern but it is primarily for the industry itself to train sufficient people to meet its own requirements for skilled and semi-skilled employees. I have sent my hon. Friend a copy of the Manpower Services Commission report on difficulties being experienced in the Leicestershire area which I referred to in my previous reply, and I recently met him and my hon. Friend the Member for Rutland and Melton (Mr. Latham) to discuss its conclusions, which are being followed up with local employers.

Job Vacancies

76. **Mr. Robert C. Brown** asked the Secretary of State for Employment what are the most recent figures for the total number of job vacancies at careers offices in Great Britain; and what is the ratio of vacancies to unemployed.

Mr. Alan Clark: On 7 June 1985, there were 15,015 unfilled vacancies at careers offices in Great Britain. Valid ratios of vacancies to unemployment cannot be calculated because many vacancies for which young people are eligible are not notified to careers offices. For example, many young people find employment through jobcentres.

Training Organisations

Mr. Tony Banks asked the Secretary of State for Employment (1) which non-statutory training organisations have board or equivalent level membership for relevant trade union or education representatives; and which are governed solely by employer representatives;

(2) if he will provide figures showing the overall operating budgets of industry training boards and non-statutory training organisations in 1984-85, distinguishing industry funding from Manpower Services Commission funding;

(3) if he will detail which industry training boards and non-statutory training organisations currently operate more than three offices and training centres nationally; and if he will state how many they operate, and the number of industry training board offices and training centres which have closed since 1981, for each industry training board;

(4) if he will give figures for the number of staff employed by industry training boards in 1979 and by industry training boards and non-statutory training organisations together in 1984, broken down into permanent staff and staff funded on a 12-month basis by the Manpower Services Commission;

(5) what are the current arrangements for monitoring the provision by employers of post youth training scheme training and the match of this training to skill requirements;

(6) how the effectiveness of the non-statutory training organisations which replaced some industry training boards in predicting, measuring and meeting their industry's needs, is being measured.

Mr. Peter Morrison: I shall reply to the hon. Member as soon as possible.

Manpower Services Commission

Mr. Tony Banks asked the Secretary of State for Employment if he will give details of the composition by sex and ethnic group for the following staff of the Manpower Services Commission: *(a)* staff based in Sheffield, *(b)* area office personnel and for the skillcentre training agency as follows: (i) skillcentre managers and staff, (ii) all other staff.

Mr. Peter Bottomley: Staff numbers are not available in precisely the form requested. The programme of surveys to record the ethnic origin of staff has not yet been completed. The numbers of staff of each sex in post on 1 April 1985 in the nearest available groups to those requested are as follows:

	Male	Female
Manpower Services Commission staff		
(a) Head Office staff based at Sheffield	1,263·0	854·5
(b) Area Office personnel (including, for Training Division, regional office staff	2,743·5	2,930·0
Skillcentre Training Agency (STA) staff*		
(i) Skillcentre managers and staff	2,901·0	565·0
(ii) Operations managers office staff	88·0	44·0

* STA Head Office staff are included in the staff based in Sheffield.

Enterprise Allowance Scheme

Mr. Tony Banks asked the Secretary of State for Employment if he will detail by sex and ethnic group the number of persons who in 1984-85 completed the enterprise allowance scheme.

Mr. Alan Clark: Information is not available in the exact form requested. However, a total of 22,933 men and 4,696 women joined the enterprise allowance scheme between August 1983 when the national scheme started and March 1984, and were due to complete their 52 weeks in the financial year 1984-85. In addition, 36,699 men and 9,368 women joined the scheme in 1984-85. No information is recorded on the ethnic origin of scheme participants.

Adult Training

Mr. Tony Banks asked the Secretary of State for Employment how many local collaborative projects are currently being funded as part of the adult training strategy *(a)* in each region and *(b)* in each industry sector; and what is the level of employer funding involved.

Mr. Peter Morrison: The local collaborative projects programme is run jointly by the Manpower Services Commission and Education Departments. The number of projects approved to date by region and industry sector are set out in the tables.

Those involved in a local collaborative project, both employers and providers of training, are required to contribute substantially to the total costs of the project. This contribution can be in the form of staff time, accommodation, clerical and administrative support, as well as by financial contributions. I regret that to quantify the level of contributions to these projects would involve disproportionate cost.

Table 1

MSC Training Division Region	*Local Collaborative Projects*
Scotland	8
Northern	14
Yorkshire and Humberside	16
North West	23
Midlands	39
Wales	9
South West	19
South East	33
London	11
Total	172

Table 2

Industry Sector	*Local Collaborative Projects*
Agriculture	12
Energy	3
Extraction (not fuels), minerals, chemicals	4
Metal goods, engineering and vehicles	38
Other manufacturing	16
Construction	4
Distribution, tourism and repair	12
Transport and communications	1
Banking, insurance and business services	4
Other services	21
Cross sectoral	57
Total	172

Professional and Executive Recruitment Service

Mr. Peter Bruinvels asked the Secretary of State for Employment if he will consider privatising the Professional and Executive Recruitment Service; and if he will make a statement.

Mr. Peter Morrison: I refer my hon. Friend to my reply to my hon. Friend the Member for Tatton (Mr. Hamilton) on 2 April, at column 543.

Household Expenditure

Mr. Gordon Brown asked the Secretary of State for Employment if he will provide the most recent available estimates from the family expenditure survey on average expenditure of (i) all households and (ii) households with incomes below £150 per week on fuel, light and power, food, clothing and footwear, and durable household goods for the following types: *(a)* single person, *(b)* married couple, *(c)* married couple with one child, *(d)* married couple with two children, *(e)* married couple with three children and *(f)* three adult household; and if he will also update these estimates to May 1985 and November 1985 using the retail prices index and Government assumptions or projections for price movements.

Mr. Alan Clark [*pursuant to his reply*, 8 July 1985]: The most recent information from the family expenditure survey relates to 1983 and is set out in the following table.

Average weekly household expenditure (£)

Category of expenditure	*One adult*	*One man, one woman*	*One man, one woman, one child*	*One man, one woman, two children*	*One man, one woman, three children*	*Three adults*
(a) All Households						
Fuel, light and power	6·35	8·86	10·02	10·86	11·55	10·63
Food	13·30	26·90	32·47	39·06	42·61	38·43

Category of expenditure	One adult	One man, one woman	One man, one woman, one child	One man, one woman, two children	One man, one woman, three children	Three adults
Clothing and footwear	3·91	7·88	11·25	13·51	13·70	14·22
Durable household goods	3·83	11·00	12·02	14·18	15·00	12·22
(b) Households with gross normal weekly income of under £150						
Fuel, light and power	6·18	8·28	8·94	10·54	10·51	9·67
Food	12·47	22·76	26·31	31·15	36·46	30·64
Clothing and footwear	3·09	4·67	7·45	7·17	10·25	8·16
Durable household goods	2·81	5·90	7·60	6·34	6·61	7·38

Source: Family Expenditure Survey, 1983

The percentage increases in the general index of retail prices between the calendar year 1983 and May 1985 were as follows:

	percentage increase
Fuel and light	7·1
Food	9·9
Clothing and Footwear	3·3
Durable Household Goods	5·2

Projections to November 1985 are not available.

NORTHERN IRELAND

Rates

Mr. Peter Robinson asked the Secretary of State for Northern Ireland what was the total cost of issuing summonses by the Department of the Environment rating division for the non-payment of rates in each of the last five years.

Mr. Chris Patten: The estimated cost of issuing summonses is as follows and is more complete than the information which I gave the hon. Gentleman in my reply of 15 May 1985 at column *148*.

	£
1982-83	52,200
1983-84	109,000
1984-85	214,800

Costs for 1980-81 and 1981-82 are not readily available.

Kidney Patients

Mr. Hume asked the Secretary of State for Northern Ireland if he will make a statement on the further development of services for kidney patients in Northern Ireland with particular regard to the feasibility of providing dialysis units outside Belfast.

Mr. Chris Patten: The review of renal services which is being carried out by the Department of Health and Social Services in consultation with the Health and Social Services Boards is continuing and is expected to be completed within the next few months.

Border Checkpoints (Arrests)

Mr. Hume asked the Secretary of State for Northern Ireland (1) how many people have been arrested in each of the past five years and the first half of the current year at each of the border checkpoints in Derry district;

(2) how many people have been taken to Fort George or the Strand road barracks from each of the border checkpoints in the Derry district; and how many such people were subsequently arrested in each of the past five years and the first half of the current year.

Mr. Scott: The information sought is not available and could be provided only at disproportionate cost.

District Heating Rebates

Mr. Hume asked the Secretary of State for Northern Ireland if he will give further consideration to the payment of interest on district heating rebates to Northern Ireland Housing Executive tenants; and if he will make a statement.

Mr. Chris Patten: No. The executive has indicated that it is not its policy to pay interest on district heating rebates or to charge interest on district heating surcharges.

Student Travel Awards

Mr. Hume asked the Secretary of State for Northern Ireland why students in the Western Board area lose out most under the flat-rate scheme of student travel awards.

Mr. Scott: A higher proportion of Western area board students study away from home, in particular, at institutions in Great Britain.

Mr. Hume asked the Secretary of State for Northern Ireland why the recent Department of Education for Northern Ireland survey into the effects of the flat-rate scheme for students travel awards included those students who are on minimum awards and who are not included in the scheme which was being investigated.

Mr. Scott: Full value awards include an element for travel expenses. The amount paid to each student is determined by deducting the parental contribution, if any, from the assessed award. The same rules apply to all students and, therefore, all students were included in the travel grant survey.

Salmon Stocks

Mr. William Ross asked the Secretary of State for Northern Ireland, following the destruction of boats at Londonderry in an arson attack, what steps he has taken to protect the salmon stocks of the Foyle system and of the north coast salmon fishery from poachers.

Dr. Boyson: No fishery protection craft were damaged in the fire at the Foyle Fishery Commission's premises on 9 June 1985, and fishery protection patrols have not been affected.

Criminal Injuries (Compensation)

Mr. William Ross asked the Secretary of State for Northern Ireland when he expects to publish his proposals for amending the Criminal Injuries (Compensation) (N.I.) Order 1977; and at what date he intends that the new provisions shall be used as a basis for compensation.

Mr. Scott: I shall reply to he hon. Gentleman as soon as possible.

HOUSE OF COMMONS

Photocopying Equipment

Mr. Beith asked the Lord Privy Seal what are the capital running, maintenance and other costs to public funds, other than funds voted specifically for the use of opposition parties in Parliament, of photocopying equipment supplied to the parliamentary Labour party.

Mr. Biffen: As part of the parliamentary facilities made available to the official Opposition, financial provision is made for photocopying equipment to be rented for their use at the annual charge of £1,124.

Written Answers to Questions

Wednesday 10 July 1985

HOME DEPARTMENT

Immigration

Mr. Wheeler asked the Secretary of State for the Home Department whether he has decided on changes to the immigration rules to comply with the recent judgment of the European Court of Human Rights.

Mr. Brittan: Yes. In order to comply with the judgment it will be necessary to change the immigration rules so that the provisions for the admission of husbands and wives for settlement are brought into line with each other. The Government therefore propose to allow husbands to join women who, though not British citizens, have permanent residence here, and to apply to wives seeking admission for settlement (other than wives to whom the provisions of section 1(5) of the Immigration Act 1971 apply) the requirements, including the requirement to satisfy the entry clearance officer that the marriage was not entered into primarily for immigration purposes, which at present apply only to husbands. The opportunity will be taken to clarify and strengthen the provisions of the existing rules relating to maintenance and accommodation and the entry clearance officer will need to be satisfied that adequate accommodation will be available for the partners to a marriage, and for any children, and that they will be able to maintain themselves without recourse to public funds.

Similar changes, including the introduction of an entry certificate requirement for fiancees, will be made to bring the provisions for the admission of fiances and fiancees into line with each other.

I am satisfied that these changes, taken together, will enable us to comply with the judgment in a way that preserves the firm and fair immigration control to which the Government remain fully committed. I intend to lay before Parliament on 15 July a statement of the necessary changes to the immigration rules to give effect to these decisions.

Mr. Dubs asked the Secretary of State for the Home Department how many applications from *(a)* husbands and *(b)* fiances have been (i) decided, (ii) granted and (iii) refused in the Indian subcontinent in each quarter of 1984; how many such applications in each category and for each quarter were refused; (1) wholly and (2) partly because of the primary purpose rules; what was the refusal rate in each instance and what percentage of these refusals was *(x)* wholly and *(y)* partly on primary purpose grounds; and if he will publish this information for each post.

Mr. Waddington [*pursuant to his reply*, 25 June 1985, c. *344-45*]: The information requested is given in the tables. Where the numbers are small, the figures for individual posts and individual quarters have been combined. Information for the whole of the Indian subcontinent on husbands and fiances granted or refused entry clearance is given in table 9 of the quarterly Home Office statistical bulletin "Control of Immigration: Statistics—First Quarter 1985" (Issue 16/85).

Table 1

Husbands and fiances in the Indian subcontinent applying for entry clearance for leave to enter the United Kingdom under the 1983 immigration rules

Number of persons‡

	Husbands					*Fiances*				
	1984					*1984*				
	1st quarter	*2nd quarter*	*3rd quarter*	*4th quarter*	*Year*	*1st quarter*	*2nd quarter*	*3rd quarter*	*4th quarter*	*Year*
Bombay										
Applications decided	90	70	100	60	300	130	90	110	70	400
of which, applications granted*	60	40	70	50	220	80	50	70	50	250
applications refused†	20	30	20	10	90	60	30	40	20	150
New Delhi (including Calcutta)										
Applications decided	50	40	40	40	160	140	120	100	80	440
of which, applications granted*	20	20	20	20	70	30	20	30	30	100
applications refused†	30	20	20	20	90	110	110	70	50	340
India										
Applications decided	130	110	130	100	460	270	210	210	140	830
of which, applications granted*	80	60	80	70	280	100	70	100	80	350
applications refused†	50	50	40	30	180	170	140	110	70	480
Pakistan										
Applications decided	70	80	70	70	290	200	210	200	200	820
of which, applications granted*	50	60	50	50	210	120	130	110	100	460
applications refused†	10	20	20	20	80	80	80	90	100	360
Bangladesh										
Applications decided	10		30		40	+		+		+
of which, applications granted*	10		20		20	+		–		+
applications refused†	10		20		20	+		+		+

* Including applications granted on appeal.
† Some of these are subsequently granted on appeal.
‡ Rounded to the nearest 10; '—' indicates nil and '+' five or fewer; components may not add to the total because they have been rounded independently.

*Table 2. Husbands and fiances in the Indian sub-continent refused entry clearance for leave to enter the United Kingdom under the 1983 immigration rules**

Number‡ of persons or percentage

	Bombay						New Delhi (including Calcutta)					
	Husbands 1984			Fiances 1984			Husbands 1984			Fiances 1984		
	1st half	2nd half	Year	1st half	2nd half	Year	1st half	2nd half	Year	1st half	2nd half	Year
Number refused because primary purpose of the marriage was to obtain admission to United Kingdom												
Solely for this reason	30	20	60	60	40	110	40	40	80	170	100	270
Partly for this reason	+	+	+	10	+	20	+	+	+	30	10	40
Primary purpose refusals as a percentage of all decisions												
Solely on primary purpose grounds	23	16	19	28	25	27	51	48	49	66	58	62
Partly on primary purpose grounds	2	1	1	5	2	4	4	3	3	11	8	10
Primary purpose refusals as a percentage of all refusals												
Solely on primary purpose grounds	67	68	67	68	77	72	86	92	89	80	86	82
Partly on primary purpose grounds	6	3	5	12	7	10	6	5	6	14	12	13

	India						Pakistan					
	Husbands 1984			Fiances 1984			Husbands 1984			Fiances 1984		
	1st half	2nd half	Year	1st half	2nd half	Year	1st half	2nd half	Year	1st half	2nd half	Year
Number refused because primary purpose of the marriage was to obtain admission to United Kingdom												
Solely for this reason	80	60	140	230	150	380	30	40	70	120	160	280
Partly for this reason	10	+	10	40	20	60	+	—	+	10	10	20
Primary purpose refusals as a percentage of all decisions												
Solely on primary purpose grounds	33	26	30	49	41	46	21	26	24	30	39	35
Partly on primary purpose grounds	3	1	2	9	5	7	1	—	+	2	3	3
Primary purpose refusals as a percentage of all refusals												
Solely on primary purpose grounds	76	80	78	76	83	79	86	92	90	76	83	79
Partly on primary purpose grounds	6	4	5	13	10	12	3	—	1	6	7	6

	Bangladesh						Total Indian sub-continent					
	Husbands 1984			Fiances 1984			Husbands 1984			Fiances 1984		
	1st half	2nd half	Year	1st half	2nd half	Year	1st half	2nd half	Year	1st half	2nd half	Year
Number refused because primary purpose of the marriage was to obtain admission to United Kingdom												
Solely for this reason	10	10	20	+	+	+	120	110	220	360	310	660
Partly for this reason	—	—	—	—	—	—	10	+	10	50	30	80

	Bangladesh*						Total Indian sub-continent					
	Husbands 1984			Fiances 1984			Husbands 1984			Fiances 1984		
	1st half	2nd half	Year	1st half	2nd half	Year	1st half	2nd half	Year	1st half	2nd half	Year
Primary purpose refusals as a percentage of all decisions												
Solely on primary purpose grounds	50†	39	42				29	27	28	40	40	40
Partly on primary purpose grounds	—	—	—	—	—	—	2	1	1	6	4	5
Primary purpose refusals as a percentage of all refusals												
Solely on primary purpose grounds	100†	80	86				80	85	82	76	83	79
Partly on primary purpose grounds	—	—	—	—	—	—	5	2	4	11	8	10

* Some applications refused are subsequently granted on appeal.
† Refusal rate based on fewer than 15 applications
‡ Rounded to the nearest 10: — indicates nil and + five or fewer
not given because refusal rate for five or fewer applications or less than ½ per cent.

Data Protection Act 1984

Mr. Teddy Taylor asked the Secretary of State for the Home Department when he will appoint a day for registration under the Data Protection Act 1984 to commence; and if he will make a statement.

Mr. Brittan: I have today made an order under section 42(1) of the Data Protection Act 1984 appointing 11 November 1985 as the day on which applications for registration under the Act may begin to be made. Data users will have six months from that date within which to apply for registration.

This date has been appointed after consultation with the Data Protection Registrar, who, since his appointment last September, has concentrated his efforts on setting up his office and devising procedures for registration. With this in mind, he has held meetings with a wide range of representative organisations and has taken account of the views which they have expressed. He has also published advice and information about the Act. Details of his activities during the last nine months are set out in his first annual report, which was presented to Parliament yesterday and which is published today (HC 470).

Sporting Events (Crowd Safety)

76. **Ms. Clare Short** asked the Secretary of State for the Home Department if he has made any study of the influence of politically extreme organisations upon crowd safety at major sporting events in the United Kingdom; and if he will make a statement.

Mr. Giles Shaw: I would refer the hon. Member to the reply given to a question from the hon. Member for Liverpool, Riverside (Mr. Parry) on 18 June, at column 88.

Anti-apartheid March (Surveillance)

Mr. Chris Smith asked the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police of the Metropolis about whether the Metropolitan police used *(a)* an empty office at Strutton Ground SW1, *(b)* the roof of the New Scotland Yard building, and *(c)* the roof of the British Pharmaceutical building in Lambeth road, for the purpose of camera surveillance of the anti-apartheid march on 16 June; what was the total number of police personnel involved in camera surveillance of this march, and what branches of the Metropolitan police they were from; and whether any still photographs were taken by the Metropolitan police of the march.

Mr. Giles Shaw: The Commissioner of Police of the Metropolis informs me that seven cameras were used at various locations along the route of the march including the roof of New Scotland Yard and the British Pharmaceutical building. No cameras were sited in Strutton Ground. The cameras, which were used for traffic control and to assist in police deployment, were operated by 19 civilian engineers from the chief engineer's department of the Metropolitan police. No still photographs were taken.

Terrorism (Italy)

Mr. Cohen asked the Secretary of State for the Home Department what discussions he has had with the Italian Government about the presence in the United Kingdom of people wanted for terrorist offences in Italy; and if he will make a statement.

Mr. Brittan: None. It would be for the Italian authorities to apply for the extradition of any individuals in the United Kingdom who were suspected of terrorist offences in Italy.

Child Abduction Act 1984

Mr. Alton asked the Secretary of State for the Home Department if he will place in the Library a copy of his Department's guidelines on the enforcement of the Child Abduction Act 1984.

Mr. Mellor: Copies of Home Office circular 75/1985, which explains the main provisions of the Child Abduction Act 1984, have been placed in the Library.

Strangeways Prison

Mr. Alfred Morris asked the Secretary of State for the Home Department how many prisoners, including people on remand, were detained at Strangeways gaol in Manchester on 8 July.

Mr. Mellor: On 5 July, the latest date for which figures were collected centrally, the population of Her Majesty's prison Manchester was 1,733.

Mr. Alfred Morris asked the Secretary of State for the Home Department how many prisoners in Strangeways gaol, Manchester, are registrably either mentally or physically disabled.

Mr. Mellor: On 31 March 1985 the numbers of persons in Manchester prison whom the medical officer considered to be mentally disordered within the meaning of the Mental Health Act 1983, was 13, of whom 12 were mentally ill. There are at present three inmates whom the medical officer considers to be physically handicapped.

European Cup Final, Brussels

Mr. Heffer asked the Secretary of State for the Home Department if he will seek to ensure that British football fans who were at the Liverpool v. Juventus match in Brussels and who are liable to be charged with offences, and are at present in Great Britain, are not extradited to Belgium to stand trial.

Mr. Mellor: No. Extradition arrangements with Belgium are provided for by the United Kingdom/Belgium extradition treaty. My right hon. Friend the Prime Minister made it clear on 3 June, at columns 22-23, that, in accordance with our international obligations, we will give the Belgium authorities every assistance in preparing requests for the extradition of persons accused of having committed offences at the European Cup final.

Civil Defence

Mr. Strang asked the Secretary of State for the Home Department if he will state, for each of the financial years from 1980-81 to 1987-88, the actual or projected figures for *(a)* total civil defence expenditure from his Department's budget and *(b)* expenditure on grants-in-aid to local authorities for civil defence purposes.

Mr. Giles Shaw [*pursuant to his reply*, 5 July 1985, c. *282*]: The figures are as follows:

	(a) Total Expenditure (Net) (£'000)*	*(b) Grant in Aid to Local Authorities (£'000)*
1980-81 outturn	12,227	4,546
1981-82 outturn	16,443	6,160
1982-83 outturn	26,755	7,162
1983-84 outturn	36,979	9,406
1984-85 estimated outturn	41,420	11,132
1985-86 supply estimate	44,279	11,989
1986-87 projected figure	45,140	13,736
1987-88 projected figure	45,070	15,468

* Includes expenditure on major Home Office building projects undertaken by PSA.

Ferry Passengers

Mr. Arnold asked the Secretary of State for the Home Department, for each United Kingdom seaport, and at each separate terminal within a seaport, what was the number of passengers arriving in 1984 on a ferry, including hovercraft and hydrofoils, from a seaport in *(a)* another member state of the Community and *(b)* other countries.

Mr. David Mitchell: I have been asked to reply.

The following table shows the information requested for United Kingdom ports or port groups. The Department of Transport does not collect figures for arrivals at individual terminals. Figures for individual ports have been grouped where necessary to avoid the disclosure of commercially confidential information.

Sea passenger arrivals in the United Kingdom from Continental Europe and Irish Republic: 1984*

Port Port Group	*Arrivals in United Kingdom (Thousands)*
Dover	6,881
Other Thames and Kent ports	1,540
All Thames and Kent (Tilbury to Folkstone)	8,421
All South Coast (Newhaven to Falmouth)	1,548
All West Coast (Avonmouth to Fleetwood)	1,441
Felixstowe Ipswich	346
Harwich	963
Other East Coast ports	286
All East Coast (Harwich to Lerwick)	1,596
Total all Ports Port Groups	13,006
Of which:	
From EC Countries	12,769
From Non-EC Countries	237

* Excludes passengers arriving in the United Kingdom from outside Europe and passengers dis-embarking following a cruise holiday.

ATTORNEY-GENERAL

Departmental Staff

Mrs. Rumbold asked the Attorney-General what manpower reductions the Lord Chancellor's Department has achieved in 1984-85.

The Attorney-General: In the period between the 1 April 1984 and 1 April 1985 the number of counted staff increased from 10,026 to 10,190. This increase was due to the transfer from other departments of 61 staff of two tribunals and to the need to recruit additional staff to deal with the increasing workload of the courts.

Mr. Ed Kale

Mr. Alton asked the Attorney-General, what action the Director of Public Prosecutions has taken so far to seek to extradite Mr. Ed Kale from the United States of America.

The Solicitor-General: I understand the question to refer to the removal by Edward William Kale in September 1980 of his two children from their home in Liverpool to the United States of America in defiance of a custody order made in favour of his former wife. The matter was referred to the Director of Public Prosecutions who concluded that no criminal offence was disclosed. Extradition is not available in respect of alleged contempt of court. Although the law has been amended by the Child Abduction Act 1984, its provisions are not retrospective in effect and accordingly do not provide any basis for an application for extradition in relation to events occuring in 1980.

I also understand that one child was returned to the jurisdiction, but recently was again removed to the United

States of America. This is the subject of an investigation by the Merseyside police, who expect shortly to submit a report to the Director.

PRIME MINISTER

Pensions

Mr. Meadowcroft asked the Prime Minister in what circumstances Her Majesty's Government decide to base pension entitlement on levels of salary other than those actually in payment at or in the period before the date of retirement; for which categories of public servants this was done in 1983-84 and succeeding years; and if she will make a statement.

The Prime Minister: Since April 1983 the only group of public servants who have had their pensions based on salaries other than those actually in payment at or in the period before the date of retirement are those whose pensions were affected by the 1983-84 TSRB award. Ministers are considering the 1985 report of the Top Salaries Review Body and I expect to be able to announce the Government's decisions, including the implications for pensions, in the near future.

EDUCATION AND SCIENCE

Teachers (Pay)

Mr. Greenway asked the Secretary of State for Education and Science what was the average pay rise for teachers and what was the annual inflation rate in each year from 1955; and if he will make a statement.

Sir Keith Joseph: So far as it can be ascertained, the information requested is given in the table.

Annual pay settlements operative from 1 April have been the norm only since 1969 (though the figures for 1974 and 1980 represent a consolidation of separate settlements applicable from two or more dates during those years). Increases prior to 1969 are attributed in the table to the years in which they become operative. These early figures are approximations giving a broad indication only of the average effect of pay settlements, which covered periods of up to three years.

The RPI increases given are for the 12 months up to April each year.

Year	*Percentage pay increase*	*Operative date*	*Percentage RPI increase*
1955	—		3·5
1956	15	1 October 1956	7·2
1957	—		1·8
1958	—		4·9
1959	*10	1 October 1959	0·0
1960	—		0·7
1961	—		2·7
1962	15	1 January 1962	5·6
1963	7	1 April 1963	2·1
1964	—		2·0
1965	13	1 April 1965	5·6
1966	—		3·6
1967	7	1 July 1967	3·0
1968	—		4·5
1969	7·1	1 April 1969	5·5
1970	7·5	1 April 1970	5·5
1971	10·8	1 April 1971	9·5
1972	9·6	1 April 1972	6·3
1973	6·6	1 April 1973	9·1
1974	‡37·0	1 April 24 May 1974	15·2
1975	22·3	1 April 1975	21·7
1976	8·3	1 April 1976	18·9
1977	3·8	1 April 1977	17·5
1978	9·9	1 April 1978	7·9
1979	9·3	1 April 1979	10·1
1980	‡35·1	1 Jan 1 April 1 Sept 1980	21·8
1981	7·5	1 April 1981	12·0
1982	6·0	1 April 1982	9·4
1983	5·0	1 April 1983	4·0
1984	5·1	1 April 1984	5·2

* Absorbed a 5 per cent. increase applicable from 1 February 1959.

† A negotiated settlement of 8 per cent. from 1 April plus an additional 27 per cent. awarded by the Houghton committee taking effect from 24 May and estimated to be worth a further 2 per cent. in the long-term.

‡ A two-stage arbitration award amounting to 14·6 per cent. plus an additional 17·9 per cent. awarded by the Clegg commission.

Neuropathogens Laboratory, Edinburgh University

Mr. Dalyell asked the Secretary of State for Education and Science what payments he has made in the last year to the neuropathogens laboratory at Edinburgh university, Kings Buildings, for work on dementia.

Mr. Brooke: The neuropathogenesis unit in Edinburgh is jointly funded by the Agricultural and Food Research Council and the Medical Research Council, which receive grants-in-aid from the Department. I understand that in the financial year 1984-85 expenditure at the unit on work directly concerned with dementia was estimated to be about £19,000. In addition, much of the unit's total budget of £510,000 was directed to work which might prove relevant to understanding of diseases such as dementia.

Religious Education

Mr. Greenway asked the Secretary of State for Education and Science what proposals he has in the context of the proposals contained in the White Paper, "Better Teaching" on in-service training for teachers, to strengthen the teaching of religious education in schools; and if he will make a statement.

Mr. Dunn: The new funding arrangements for in-service training proposed in the White Paper "Better Schools" are intended to promote more systematic procedures for identifying teachers' needs for training, for matching training needs with suitable training activities and for making good use of teachers after training. Such improved procedures should serve to strengthen teaching in religious education as in other subjects.

Grammar Schools

Mr. Patrick Thompson asked the Secretary of State for Education and Science what is his policy towards selection of children at age of 11 years, and towards grammar schools.

Sir Keith Joseph: The White Paper "Better Schools" explains (paragraph 212) that the Government are content with the existing legal framework

"which gives freedom to each local education authority to maintain its existing pattern of school organisation and, if it wishes, to propose changes in that pattern".

Using this freedom, some LEAs continue to maintain selective secondary schools. The freedom to submit

statutory proposals to reintroduce grammar schools was restored by the Education Act 1979. If such proposals were submitted, I would consider them on their merits.

ENERGY

National Coal Board

Mr. Moynihan asked the Secretary of State for Energy if he will indicate the total level of Government financial support under all headings to the National Coal Board in *(a)* the last five years and *(b)* the last 10 years.

Mr. David Hunt: Total Government financial support during the last five years and 10 years in payments of deficit, operating and social grants to the National Coal Board, and payments under the RMP scheme to redundant mineworkers were as follows:

	£ million
1975-76 to 1984-85	6,157
1980-81 to 1984-85	5,450

Photovoltaic Renewable Energy Sources

Mr. Speller asked the Secretary of State for Energy what are his proposals for future funding of research into photovoltaic renewable energy sources.

Mr. David Hunt: Support for the exploitation of the market for photovoltaic technology rests with the Department of Trade and Industry, which is providing assistance for industrial innovation in photovoltaics as well as advice and assistance to British firms under its various development and export-related schemes.

My Department does, however, consider that photovoltaic technology is unlikely to be economic for electricity generation in this country because of our climatic conditions, but recognises that there is a growing export market.

TRADE AND INDUSTRY

Anti-misting Kerosene

Mr. Michael McNair Wilson asked the Secretary of State for Trade and Industry whether his Department is involved in the research programme instigated by the American Federal Aviation Authority to produce anti-misting kerosene; and if he will make a statement.

Mr. Butcher: Research aimed at developing an anti-misting additive for aviation kerosene was started in the United Kingdom in 1967. For some years this research, at the Royal Aircraft Establishment and in a number of firms and universities, was jointly supported by my Department and the Ministry of Defence. In 1978, a memorandum of understanding (MOU) was established between the American Federal Aviation Administration (FAA) and the MOD(PE) covering a joint research programme based on the ICI additive "Avgard" and leading to the controlled impact demonstration (CID) in the United States of America on 1 December last year. Although the result of the CID has cast doubt on the benefits of anti-misting fuels, the MOU remains in being. The current research by ICI is funded by the company, but my officials continue to support ICI in its dealings with the FAA, who are still analysing the results of the CID and considering future developments.

Departmental Staff

Mrs. Rumbold asked the Secretary of State for Trade and Industry what manpower reductions his Department has achieved in 1984-85.

Mr. Butcher: The number of staff in the Department has increased from 12,582 on April 1 1984 to 12,620 on April 1 1985. This net figure reflects a number of structural changes involving transfer of work into and out of the Department; staff savings from increased efficiency, general streamlining and contracting out of services; and increases in staff to deal with increased workload at the Companies Registration Office, and elsewhere.

Paint Strippers

Mr. Michael McNair-Wilson asked the Secretary of State for Social Services whether his Department has commissioned publicity to draw attention to the dangers of using caustic soda and other paint strippers; and if he will make it his policy that these products should carry a health warning.

Mr. Fletcher: I have been asked to reply.

The Classification Packaging and Labelling of Dangerous Substances Regulations 1984, which come into force next year and to which the Government will give appropriate publicity, prescribe warning labelling for all products such as paint strippers which contain corrosive, toxic or harmful chemicals, so that users will know to take care. I am also proposing to prescribe child resistant closures for certain household chemicals including caustic or harmful paint strippers.

Pasta

Mr. Roger King asked the Secretary of State for Trade and Industry what action the European Community has taken in response to the United States' threats affecting pasta imports from the European Community to the United States; and if he will make a statement.

Mr. Tebbit: On 20 June, the United States Government announced their intention to impose greatly increased duties on imports of pasta from the Community. This has been explained as a response to the Community's failure to grant the United States satisfaction in a current dispute concerning trade in citrus products. As the latter dispute remains the subject of normal dispute settlement procedures in the GATT, the United States action represents a unilateral resort to restrictive measures not authorised by the GATT. This is unacceptable conduct on the part of a major trading nation and serves only to undermine confidence in the multilateral trading system.

The Council of Ministers has adopted a regulation permitting the Community to take appropriate counter-measures. If the United States implements the increased duties, the Community will increase duties on imports from the United States of lemons and unshelled walnuts. We calculate the trade impact of this measure to be equivalent to that resulting from the United States action. I regret the need to take this step and hope that it will not be necessary to implement the regulation. Together with our partners, we remain eager to negotiate with the United States in order to resolve our underlying differences without recourse to a harmful escalation of the dispute.

It was necessary to signal urgently to the United States authorities the Community's willingness to take counter-measures. The regulation had therefore to be adopted by the Council of Ministers at very short notice. Accordingly, we were not able to provide an explanatory memorandum in time for the Select Committee on European Legislation to consider the proposal before it was adopted by the council. I wrote to the Chairman of the Committee explaining what was happening and why. I regret that this was necessary and a full explanatory memorandum has now been sent to the Committee.

West Germany

Mr. Austin Mitchell asked the Secretary of State for Trade and Industry if he will publish in the *Official Report* the value of imports and exports of manufactures from and to Germany each year since 1970 and in 1985 to date at an annual rate, together wih the import and export values for manufactures.

Mr. Channon: The figures in the table are on the overseas trade statistics basis, with insurance and freight costs included in the imports but not the exports. Balance of payments figures, with imports and exports both valued exclusive of freight and insurance, are not available. Annualised data are unreliable as a guide to the outcome of the year.

*United Kingdom Trade in Manufactures**
Overseas Trade Statistics Basis £ billion

	Trade with:			
	Federal Republic of Germany		World	
	Imports	Exports	Imports	Exports
1970	0·5	0·4	4·6	6·8
1971	0·6	0·4	4·9	7·7
1972	0·8	0·5	6·0	8·1
1973	1·3	0·6	8·7	10·0
1974	1·7	0·8	11·7	13·3
1975	1·7	1·0	12·5	16·0
1976	2·5	1·4	16·5	20·6
1977	3·2	1·9	20·7	25·8
1978	4·1	2·2	24·4	28·0
1979	5·3	2·8	29·7	30·9
1980	5·1	3·1	31·2	34·8
1981	5·3	3·2	32·0	34·9
1982	6·7	3·4	37·1	37·3
1983	8·9	3·9	44·9	40·1
1984	10·0	4·9	52·9	46·7
÷1985	11·6	5·6	61·0	53·6

* Standard International Trade Classification, section 5 to 8.
÷ January to May at an annual rate.
Source: Overseas Trade Statistics.

Mr. Austin Mitchell asked the Secretary of State for Trade and Industry if he will publish in the *Official Report* a table showing the value of imports from and exports to Germany of finished manufactures each year since 1970 and in 1985 to date at an annual rate.

Mr. Channon: The figures in the table are on the overseas trade statistics basis, with insurance and freight costs included in the imports but not the exports. Balance of payments figures, with imports and exports both valued exclusive of freight and insurance, are not available. Annualised data are unreliable as a guide to the outcome for the year.

*United Kingdom Trade with Federal Republic of Germany in Finished Manufactures**

£ million

	Exports	Imports
1970	245	330
1971	274	401
1972	302	536
1973	390	827
1974	465	975
1975	633	1,102
1976	878	1,584
1977	1,162	2,117
1978	1,420	2,775
1979	1,716	3,660
1980	2,004	3,336
1981	2,087	3,518
1982	2,233	4,582
1983	2,575	6,221
1984	3,175	6,789
÷1985	3,610	8,067

* Standard International Trade Classification, section 7 and 8.
÷ January to May at an annual rate.
Source: Overseas Trade Statistics.

Overseas Contracts (Loans)

Mr. Baldry asked the Secretary of State for Trade and Industry whether Her Majesty's Government intend to take steps to assist British manufacturers in major overseas contracts by offering loans to potential customers.

Mr. Channon: The Government recognise that some developing countries may prefer aid in the form of loans, rather than grants supplemented by export credits, to finance their major projects. The Government are therefore discussing with the financial community mechanisms to provide such loans under the aid and trade provision with the overseas aid programme.

WALES

Departmental Staff

Mrs. Rumbold asked the Secretary of State for Wales what manpower reductions his Department has achieved in 1984-85.

Mr. Nicholas Edwards: The permanent staff in post in my Department numbered 2,185 full-time equivalents on 1 April 1984 and 2,278½ on 1 April 1985. This increase arose because of transfers of functions and staff from other Government departments, mainly the Department of Trade and Industry.

Planning Inquiry (Appeal)

Mr. Gareth Wardell asked the Secretary of State for Wales when he expects to announce his decision following the inquiry held on 8 and 9 January at the Guildhall, Swansea, into the Town and Country Planning Act 1971, section 36 appeal; land adjacent to Pennard burial ground, Vennaway lane, Pennard and the Swansea (land off Vennaway lane, Pennard) compulsory purchase order 1982.

Mr. John Stradling Thomas: The decision was announced on 1 July 1985.

Forestry Commission

Mr. Ron Davies asked the Secretary of State for Wales if he will list in the *Official Report* the names and locations of the woodlands for which felling licences for the conversion of the land to agriculture were issued in the Forestry Commission's north and south Wales conservancies, respectively, in the years 1982-83, 1983-84 and 1984-85.

Mr. John Stradling Thomas [*pursuant to his reply*, 4 July 1985, c. *225*]: The information, which covers coniferous, broadleaved and mixed woods is as follows:

		County
North Wales Conservancy		
1982-83		
Pentre wood, Cwmdockin estate	Abermule	Powys
Woodlands on Dolassey estate	Knighton	Powys
Fridd cottage woodland	Abermule	Powys
Woodlands on Bryn Car farm	Abergele	Clwyd
Woodlands on Cwm farm	Llanfyllin	Powys
Woodlands on Llettygynfach farm	Welshpool	Powys
Woodlands on Corndon manor	Near Churchstoke	Powys
Woodlands on Troed y Rhiw farm	Aberystwyth	Dyfed
Woodlands on Tyn-y-Pwll farm	Llanidloes	Powys
Woodlands on Pale estate	Llandderfel	Gwynedd
Woodlands on Ty Cam farm	Aberystwyth	Dyfed
1983-84		
Fron wood	Forden	Powys
Woodlands on Ciliau estate	Llwyndafydd, Aberystwyth	Dyfed
Woodlands at the Mill	Cemmaes, Dolgellau	Gwynedd
Coed Ddol wood, Ddol farm	Abergele	Clwyd
Woodlands on Bwlch Llwyn farm	Newtown	Powys
Dyffryn wood	Lampeter	Dyfed
Erglodd Fawr plantation	Aberystwyth	Dyfed
Woodlands on Home farm	Llandrindod Wells	Powys
Erglodd Fach plantation	Aberystwyth	Dyfed
Highgate wood	Presteigne	Powys
Woodlands on Dolagored farm	Builth Wells	Powys
Coed y Gwernydd wood, Penrhos estate	Meifod	Powys
Coed y Bedw wood, Castle Crab estate	Builth Wells	Powys
1984-85		
Woodlands on Dolassey estate	Knighton	Powys
Woodlands on Caethugley	Welshpool	Powys
Woodlands on Brynhwdog farm	Welshpool	Powys
Woodlands on Cefn Llech farm	Llanrwst	Gwynedd
Fron wood, Sheep House estate	Llowes, near Glasbury	Powys
Woodlands on Cwmgwydd farm	Berriew, Welshpool	Powys
Blacksmiths wood, the Smithy	Welshpool	Powys
Woodlands on Cefn Du Uchaf estate	Welshpool	Powys
Woodlands on Coed Faenol Bropor farm	St. Asaph	Clwyd
South Wales Conservancy		
1982-83		
Woodlands on Wernished farm	Talgarth, Brecon	Powys
Woodlands on Maesgwandde estate	Llandovery	Dyfed
Lan Pill wood, Porthveynor farm	Usk	Gwynedd
Glandu Cwrt woods, Rhosferig estate	Builth Wells	Powys
Woodlands on Nantycastell estate	Llanfrynach	Dyfed
Woodlands on Dihewydd farm	Llantwit	Mid Glamorgan
Pentyrch plantation	Pentyrch, Cardiff	South Glamorgan
Woodlands at Kings lodge	Llandeilo	Dyfed
Hirwaun Isaf wood, Hirwaun Isaf estate	Pontyberem	Dyfed
1983-84		
Woodlands on Fernhill estate	Llantrisant	Gwent
Woodlands on Ty Mawr farm	Newbridge-on-Wye	Powys
The Vale wood, Vale estate	Lower Chapel, Brecon	Powys
Dderw wood, Dderw estate	Brecon	Powys
Woodlands on Penhow farm	Caerphilly	Mid Glamorgan
Woodlands on Llanerch farm	Pontardulais	Dyfed
Woodlands at Llatty Twpa Farm	Lampeter	Dyfed
Cwmtydu wood, Lower farm	Brecon	Powys
Woodlands on Coedcaedu farm	Brecon	Powys
The Riverside wood and Part Boundary wood, Wernfawr estate	Builth Wells	Powys
Treowen wood, Treowen estate	Monmouth	Gwent
Woodlands on Gaer House farm	Grosmont	Gwent
Coed Cochion wood, Cwm Camlais Uchaf estate	Sennybridge	Powys
Llwyn Du wood, Llwyn Du estate	Abergavenny	Gwent
Woodlands on the Barns farm	Grosmont	Gwent

		County
1984-85		
Woodlands on Llanfechan farm	Builth Wells	Powys
Woodlands on Ty Uchaf farm	Llantrisant	Mid Glamorgan
Allt Pant-Teg wood, Dolau Gwynion farm	Llandovery	Dyfed
Forge wood, Cwm Nofydd farm	Machen	Mid Glamorgan
Woodlands on Lower farm, Onen	Monmouth	Gwent
Lon woods, Lon farm	Abercraf	Powys

TRANSPORT

Malaysian Airlines System

Mr. Michael Morris asked the Secretary of State for Transport what is preventing the implementation of the extra daily service by Malaysian Airlines System into London Heathrow.

Mr. Michael Spicer: British Airways and Malaysian Airlines System have now agreed that MAS should operate its fifth weekly frequency to London as from July 1986. I expect the other details affecting the implementation of the new service to be finalised during official consultations to be held in Kuala Lumpur at the end of July.

Driving Licences

Mr. Brandon-Bravo asked the Secretary of State for Transport what action he is taking to extend the recognition of driving licences to further countries outside the European Community.

Mr. Michael Spicer: Representative organisations are being invited to give their views on a proposal that Austria and Japan should be added to the list of countries whose licences are exchangeable for British ordinary licences. The proposed order under the Road Traffic (Driving Licences) Act 1983 would come into effect on 1 November 1985.

SOCIAL SERVICES

Unemployed Persons

75. **Mr. Holt** asked the Secretary of State for Social Services if Her Majesty's Government will seek powers, in cases where an individual has been unemployed for six months or more, to give him an advance of another year's unemployed benefit for the purpose of a deposit on a house in another part of the United Kingdom on condition that he obtains a skilled job; and if he will make a statement.

Mr. Newton: Unemployment benefit is a contingency benefit to provide for periods of loss of earnings because of unemployment. It is therefore paid periodically—usually fortnightly—on proof of continuing unemployment. It would be inappropriate, and would change the nature of the benefit, to make advance payments of the kind suggested. However, the Manpower Services Commission's employment transfer scheme gives financial assistance (subject to certain elegibility conditions) to unemployed people moving home to take up employment in another area. Under this scheme, advance payments may be made to help with the deposit or other direct costs of purchasing property.

Housing Benefit

Mr. Frank Field asked the Secretary of State for Social Services if he will break down the number of claimants who will lose *(a)* up to 50p and *(b)* up to 100p a week for the housing benefit changes announced on 18 June; and if he will break down the data according to whether claimants are above or below retirement age.

Mr. Newton: I assume the hon. Member has in mind changes other than the normal uprating changes. Estimates of the numbers whose housing benefit will be up to 50p and up to £1 less than it would otherwise have been because of the proposed increase in the rate rebate taper above the needs allowance this November, offset by the real improvement in the dependent child addition to the needs allowance, are as follows:

Thousand, Great Britain

	Up to 50p	*50p to £1*
Above pension age	910	400
Below pension age	220	190
Total	1,130	590

Mr. Squire asked the Secretary of State for Social Services what is his estimate of the number of standard housing benefit recipients with capital of over *(a)* £3,000 and *(b)* £6,000.

Mr. Newton [*pursuant to the reply*, 3 July 1985, c. *175*]: At present capital is ignored for housing benefit purposes although income from capital is taken into account (whereas for Supplementary benefit, Capital is taken into account but investment income is ignored) and we do not collect specific information about amounts of capital held by households which receive housing benefit. However, the 1983 family expenditure survey included questions on income from capital. On this basis, which may not be very reliable, it is estimated that in 1983-84 about 750,000 standard housing benefit recipients had capital over £3,000, somewhat under half of whom had capital over £6,000.

Cervical Cancer

Mr. Cohen asked the Secretary of State for Social Services what recent representations and information he has received about virus-related cancer of the cervix which spreads very quickly in young women and the survival chances of such women; whether he has any new proposals on the matter; and if he will make a statement.

Mr. Kenneth Clarke: For some years there has been growing speculation by experts in this field that virus-induced changes in the cervix may underline the development of many cases of cervical cancer. We are advised on the most appropriate pattern of cervical cancer

screening by the committee on gynaecological cytology whose members are distinguished experts in the field and are fully aware of the latest scientific views about the aetiology of the disease. The advice of the committee on screening of women under 35 remains that any woman who is or has been sexually active should have a first cervical smear when she first presents for contraceptive advice and thereafter at ages 20, 25 and 30.

We will continue to follow closely scientific debate on the nature and incidence of the disease. Any policy on screening must of course reflect the fact that 94 per cent. of all deaths are of women aged over 35. However, some of our critics mistakenly suggest that our policies discourage screening of younger women which, as I have indicated, is not so.

Nurses (Pay Award)

Mr. Pavitt asked the Secretary of State for Social Services why the pay increase recently awarded for nurses has not yet been received by them; and if he will make a statement.

Mr. Kenneth Clarke: We published the new pay scales on 1 July. Implementation is a matter for health authorities, but I understand they hope to pay the new rates in August. The delay is caused by the need to complete the full computer programming required.

Health Visitors

Mr. Pavitt asked the Secretary of State for Social Services why health visitors have been downgraded from their previous pay level of sister 1/senior nurse grade 8; and if he will make a statement.

Mr. Kenneth Clarke: I refer the hon. Member to paragraph 78 of the review body's second report on nursing staff, midwives and health visitors (Cmnd. 9529).

Health Service Commissioner (Report)

Mr. Knox asked the Secretary of State for Social Services when he expects to receive the annual report of the Health Service Commissioner for 1984-85.

Mr. Kenneth Clarke: The Health Service Commissioner has, as in previous years, made a single report on the performance of his functions in England, Scotland and Wales. My right hon. Friends the Secretaries of State for Social Services, Scotland and Wales have presented the report to the House today. It will be published tomorrow and copies will be available from the Vote Office.

Wood Preservatives

Mr. Michael McNair-Wilson asked the Secretary of State for Social Services what health checks have been made on creosote and other wood preservatives to ensure that their level of toxicity is kept within safe limits; and if he will make it his policy that such substances should bear a health hazard warning.

Mr. Peter Bottomley: I have been asked to reply.

The sale of wood preservatives in the United Kingdom is controlled by formal agreement under the pesticides safety precautions scheme. Under this scheme, new active ingredients must be notified to the Health and Safety Executive and cleared by an independent panel of experts before they are put on sale. Containers must have a label giving precautions for use together with the appropriate hazard symbol. The Government are taking steps to introduce legislation to give statutory backing to these arrangements.

Nuclear Installations (Cancer)

Mr. Ashdown asked the Secretary of State for Social Services if he will list and describe the research projects commissioned to implement the recommendations number 1 to 4 of the report of the advisory group chaired by Sir Douglas Black on the possible increased incidence of cancer in west Cumbria, relating to nuclear installations at Sellafield; and if he will estimate the approximate cost and duration of each project.

Mr. Kenneth Clarke [*pursuant to his reply*, 21 June 1985, c. *250-52*]: I regret that the estimate of cost contained therein for the research commissioned to implement recommendation 1 of the Black report was inaccurate: instead of £41,600, this should have read £46,200.

Supplementary Benefit

Mr. Meacher asked the Secretary of State for Social Services what percentage of single claimants aged 18, 19, 20, 21, 22, 23, 24 and 25 years, respectively, received *(a)* supplementary benefit as a non-householder in April and *(b)* supplementary benefit in their own right but share their home with people other than parents.

Mr. Newton [*pursuant to the reply*, 3 July, c. *177*]: I regret that the information asked for in *(b)* is not available. The latest available information for *(a)* is for December 1983 and is as follows:

Percentage of single supplementary benefit claimants (without dependants) receiving non-householder scale rates.

Age	*Percentage*
18	91
19	86
20	78
21	73
22	70
23	65
24	64
25	57

NB The other categories are not just householders but include joint householders, boarders and claimants in hospital.

NATIONAL FINANCE

Black Economy

Mr. Eggar asked the Chancellor of the Exchequer what is the number of staff deployed by Her Majesty's Customs and Excise to combat the black economy and evasion of value added tax; and whether he intends to allocate any additional staff to Her Majesty's Customs and Excise for this purpose.

Mr. Hayhoe: Her Majesty's Customs and Excise has in the region of 4,000 officers engaged on VAT control duties, visiting both registered and unregistered businesses. In the year 1985-86 it is planned to provide, from savings elsewhere within the Department, an additional 146 officers for this work.

Exchange Rates

Mr. Austin Mitchell asked the Chancellor of the Exchequer what has been the weighted average exchange rate for the pound sterling against currencies other than the United States dollar each quarter since the beginning of 1979 and each month in the current year.

Mr. Ian Stewart: The information requested is in the table.

Nominal effective rate index (excluding $)
(1975 = 100)

Quarter	
1979	
1st Quarter	79·8
2nd Quarter	84·9
3rd Quarter	88·5
4th Quarter	85·8
1980	
1st Quarter	90·4
2nd Quarter	91·9
3rd Quarter	93·5
4th Quarter	97·9
1981	
1st Quarter	101·1
2nd Quarter	99·2
3rd Quarter	93·3
4th Quarter	91·2
1982	
1st Quarter	94·0
2nd Quarter	93·9
3rd Quarter	96·5
4th Quarter	94·5
1983	
1st Quarter	84·7
2nd Quarter	89·6
3rd Quarter	91·3
4th Quarter	89·6
1984	
1st Quarter	88·2
2nd Quarter	86·2
3rd Quarter	85·7
4th Quarter	83·3
1985	
January	79·9
February	80·5
March	82·9
April	86·9
May	87·8
June	88·9

Mr. Robert Sheldon asked the Chancellor of the Exchequer what assessment he has made of the effect on international trade caused by sharp fluctuations in exchange rate movements.

Mr. Lawson: There is little empirical evidence that short-term volatility in exchange rates has any significant effect on the volume of international trade. Larger and more persistent movements, however, may lead to changes in the patterns of international trade which are unlikely to be sustainable, and to a dangerous build-up of protectionist pressures.

Interests Rates

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report* a table showing the level of interest rates in the United Kingdom and Germany for each quarter since 1970 and at the current time.

Mr. Ian Stewart: No. Figures for a range of UK interest rates are available from "Financial Statistics", table 13.15. Figures for a range of German interest rates are available in "International Financial Statistics". The relevant lines in the section dealing with Germany are 60, 60b, 60bs and 61.

EC (Finance)

Mr. William Ross asked the Chancellor of the Exchequer (1) if he will list the total payments by the United Kingdom to European Economic Community funds from 1 January 1973 to 31 December 1984, showing the body to which the payments were made and including payments to the European Investment Bank and the European Coal and Steel Community, and also showing the total amounts the United Kingdom has received from these bodies in the same period in *(a)* loans and *(b)* grants;

(2) what sums have been paid by the United Kingdom to the European Economic Community in interest charges on sums on loan to the United Kingdom from the European Economic Community in each year or financial year since 1 January 1973 to the latest convenient date;

(3) what sums have been repaid of the capital sums lent to the United Kingdom by the European Economic Community in each year from 1 January 1973 to the latest convenient date.

Mr. Ian Stewart: I shall let the hon. Member have a reply as soon as possible.

Mr. William Ross asked the Chancellor of the Exchequer for what purposes the sums paid by the United Kingdom to the EEC in respect of capital repayments of EEC loans to the United Kingdom are used.

Mr. Ian Stewart: The European Investment Bank, the European Atomic Energy Authority and the European Coal and Steel Community lend money in the United Kingdom and other member states. The European Commission (with the help of the EIB) also lends money under the new Community instrument. Capital repayments are used to service the original loans raised to finance this lending. Additional information on the Community's borrowing and lending operations is contained in the report on the "Borrowing and Lending Activities of the Community in 1984" (Doc. No. 6992/85), a copy of which has been deposited in the House.

Mr. William Ross asked the Chancellor of the Exchequer what are the total sums accumulated by the EEC from member states from 1 January 1973 to the latest convenient date which are either *(a)* on loan and *(b)* held by the EEC; and, of these sums, how much represents the capital payments from each state and how much interest charges paid on loans made in respect of loans.

Mr. Ian Stewart: At 31 December 1984, total borrowing outstanding of the European Communities was as follows: European Coal and Steel Community 7119 mecus; European Investment Bank 25007 mecus; European Atomic Energy Authority 1892 mecus; New Community Instrument 4432 mecus; EEC borrowing for balance of payments purposes 4932 mecus. Not all this borrowing was raised in member states. The bulk of the

borrowing has been used for on-lending in the European Community. As at 31 December 1984, capital payments to the EIB by member states have totalled 1061 mecus. I regret the other information requested is not readily available.

Cost of Living Index

Mr. Teddy Taylor asked the Chancellor of the Exchequer if he will establish a separate cost of living index reflecting the spending patterns of retirement pensioners for the purposes of assessing future adjustments in the retirment pension; and if he will make a statement.

Mr. Peter Rees [*pursuant to his reply*, 8 July 1985, c. *357*]: Pensioner price indices are published in the *Employment Gazette* on a quarterly basis; they are specifically designed to show the impact of price changes on the expenditure of low-income pensioner households. These indices have tended to move broadly in line with the retail prices index, which is used for the annual uprating of retirement pensions.

EC Rebates

Mr. Teddy Taylor asked the Chancellor of the Exchequer how many member states of the European Economic Community have now paid to the European Economic Community the sums which they were committed to pay in terms of the undertaking of the Council on 23 April designed to enable the United Kingdom's 1985 rebate to be paid; and if he will make a statement.

Mr. Ian Stewart [*pursuant to his reply*, 8 July 1985, c. *357*]: The 1985 budget contains provision for the United Kingdom's 1000 mecu abatement to be paid when the own resources decision has been ratified. The Commission has yet to request payment under the 1985 IGA.

DEFENCE

Jaguar and Tornado Projects

Mr. Moynihan asked the Secretary of State for Defence what is the national share in the Jaguar and Tornado projects, respectively.

Mr. Butler: The United Kingdom shares of the Jaguar and Tornado projects are 50 and 48 per cent. respectively.

Royal Observer Corps

Mr. Robert Banks asked the Secretary of State for Defence what is the current strength of the Royal Observer Corps and the numbers currently allocated.

Mr. Lee: At the end of May 1985 the strength of the Royal Observer Corps was 10,513, against an establishment of 12,333.

Adair House

Mr. Cartwright asked the Secretary of State for Defence why the Defence Land Agent has refused a request for a temporary lease of Adair house, Shooters Hill road, London SE18, for an experimental riding centre from the London borough of Greenwich.

Mr. Lee: A temporary lease would not be appropriate, since we expect to dispose of Adair house in the near future.

Mr. Cartwright asked the Secretary of State for Defence when Adair house, Shooters Hill road, London SE18, ceased to be used as a nurses' home for the Royal Herbert hospital; how long it has been vacant; and at what cost.

Mr. Lee: Adair house ceased to be a nurses home for the Royal Herbert hospital in 1979. It was then occupied as offices until 1982, since when it has been in partial use as an accommodation store for the military hospital. The cost has been about £26,000 since 1982.

Mr. Cartwright asked the Secretary of State for Defence what proposals for the future use of Adair house, Shooters Hill road, SE18, are currently under consideration; and when a decision is expected.

Mr. Lee: Adair house has been declared surplus to requirements by the Army. Subject to there being no other MOD need, it will be passed to PSA for disposal in the normal way.

OVERSEAS DEVELOPMENT

UNESCO

Mr. Bowen Wells asked the Secretary of State for Foreign and Commonwealth Affairs if he will propose to the United Nations Educational, Scientific and Cultural Organisation, in conjunction with other member states, that it should initiate the appointment of management consultants to recommend changes in the structure and efficiency of the organisation, on the basis of his letter to the Director-General of the organisation of 5 December 1984.

Mr. Raison: In my letter to the Director-General of 2 April 1984 I urged that UNESCO should draw on outside advice in such key areas of management as decentralization, decision making and personnel management. Subsequently the temporary committee of the executive board recommended that UNESCO should continue to use outside expertise particularly where this might lead to improvements in its functioning.

SCOTLAND

Horticulture

Mr. Hirst asked the Secretary of State for Scotland if he will estimate the relevant redundancy, pension and other costs of discontinuing entirely the specialist advisory services to the horticulture industry in Scotland.

Mr. John MacKay: As a result of the integration of specialist and general advisory staff in the agricultural research and development, advisory and educational fields within the Scottish agricultural colleges, and the close integration of these areas of work with individual members of staff covering more than one area of activity, it is not possible to estimate the cost of discontinuing the specialist advisory service to the horticultural industry in Scotland.

In the event that this specialist advisory service were to be discontinued the associated redundancy, pension and other costs would be affected by a number of factors (e.g.

re-deployment of staff). It is impossible to speculate on such matters and I regret that for these reasons it is not possible to provide the information requested.

Mr. Hirst asked the Secretary of State for Scotland (1) if he will estimate the cost of maintaining a specialist advisory service to the horticulture industry in Scotland for plant pathology, soil testing and other normal advisory service functions;

(2) if he will estimate the annual cost of the present advisory service for horticulture in Scotland, the number of staff employed, and the total annual cost of their salaries, expenses and other overheads.

Mr. John MacKay: Given the integration of agricultural research and development the advisory services and education in the three Scottish agricultural colleges, with individual members of staff covering more than one area of activity, it is not possible to provide precise details in the way requested. The estimated cost of maintaining the advisory service to the horticultural industry in Scotland is £0·5 million per annum.

Mr. Hirst asked the Secretary of State for Scotland if he will estimate, at the latest convenient date, the acreage under horticultural crops in Scotland, the total number of people employed on a full-time or part-time basis and the number and size of horticultural units analysed in convenient categories.

Mr. John MacKay: As at June 1984, the total area of horticultural crops in Scotland was 11,417 hectares. Although 1,962 farms grew one or more horticultural crops, only 104 farms were classified as full-time horticultural holdings, with a total area of 1,211 hectares. Detailed information is available only for these farms. In terms of size, 61 were classified as small, 32 as medium sized and 11 as large farms. A total of 649 people were employed on the 104 farms. There were 437 full-time, 80 part-time, and 132 casual employees.

Job Creation

Mr. Robert Banks asked the Secretary of State for Scotland what research he has undertaken to determine the number of extra jobs provided in Scotland as a result of the change in the licensing laws.

Mr. Ancram: While there is reason to suppose that the more relaxed regime introduced by the Licensing (Scotland) Act 1976 has led to an increase in employment possibilities, no formal research has been undertaken into this aspect of the change in licensing laws.

Broadleaved Woodlands

Mr. Alton asked the Secretary of State for Scotland if he will list the post titles and grades of the specialist staff within the Forestry Commission who will be providing specialised training on wildlife and landscape conservation in broadleaved woodlands for the commission's private woodland foresters in 1985-86 and 1986-87 as part of the training measures proposed in the broadleaves in Britain review.

Mr. John MacKay: Such training as is needed will be carried out by the Forestry Commission's professional training staff assisted, as appropriate, by wildlife and landscape conservation experts both from within the commission and from other statutory bodies. It is not possible at this stage to provide a list of the staff who will be involved.

Birds (Licensed Killing)

Mr. Kilroy-Silk asked the Secretary of State for Scotland if he will list the numbers of *(a)* goosanders, *(b)* red-breasted margansers and *(c)* cormorants killed under licence in the last year for which complete figures are available and express this number as a percentage of the Scottish population of each species, giving the date when the population estimate was made.

Mr. John Mackay: The last year for which complete figures are available is 1984, when numbers of birds killed in Scotland under licence were reported as follows:

	Killed
(a) Goosanders	514
(b) Red-breasted mergansers	516
(c) Cormorants	886

There are no population estimates providing reliable figures for these species more recent than those arising from surveys conducted in the period 1969-1977. Information for this period supplied by the Nature Conservancy Council is as follows:

(a) Goosanders:
Estimated pairs 736/952 (Scotland) — 1977 (Meek and Little)

(b) Red-breasted mergansers:
Estimated pairs 1-2,000 (Britain)—1970 (Atkinson-Wills)
Estimated pairs 2-3,000 (Britain and Ireland) — 1976 (Sharrock)

(c) Cormorants
Estimated breeding pairs 3,671 (Scotland) — 1969-70 (NCC)

The most recent of these surveys, that in 1977 of goosanders indicated that the species was expanding its range and that a number of local estimates of population were conservative.

Departmental Staff

Mrs. Rumbold asked the Secretary of State for Scotland what manpower reductions has Department has achieved in 1984-85.

Mr. Younger: Between 1 April 1984 and 1 April 1985, the number of staff in the Scottish Office increased by 1·4 per cent. from 9,774 to 9,911½. This increase is attributable to the Scottish Prison Service, the staff of which increased from 2,738½ to 2,880½. The number of staff employed in the rest of the Scottish Office fell slightly, from 7,035½ to 7,031; that reduction was achieved in spite of the addition of 96 posts in connection with the transfer of work on regional development grants from the Department of Trade and Industry.

Local Authority Expenditure

Mr. Bill Walker asked the Secretary of State for Scotland if he will give details of total expenditure by Scottish local authorities under section 83 of the Local Government (Scotland) Act 1973 in each of the last five years.

Mr. Ancram: Details of expenditure incurred by authorities under section 83 of the Local Government (Scotland) Act 1973 have only been collected centrally

since 1982-83. The figures for total expenditure for 1982-83 and 1983-84 are given in the table. Information for 1984-85 is not yet available.

Section 83 expenditure: total Scotland

	£000
1982-83*	1,648
1983-84†	7,036

* Return awaited from one authority.
† Returns awaited from five authorities.

SCOTLAND

Prison Service

Mr. Kilfedder asked the Secretary of State for Scotland what was the total strength by grades including governors at 31 March of the prison service in Scotland.

Mr. Ancram: The information at 1 April 1985 (the nearest date for which figures are available) is as follows:

Scottish Prison Service
Full-time Staff-in-Post at 1 April 1985

Grade		*Number*
Governor I		5
Governor II		4
Governor III		19
Governor IV		16
Assistant Governor		38
Senior Medical Officer		1
Medical Officer		2
Steward I		2
Steward II		3
Professional and Technology Officer II		9
Professional and Technology Officer III		4
Chief Officer Class I	Discipline	10
Chief Officer Class II	Discipline	29
Principal Officer	Discipline	169
Senior Officer	Discipline	234
Officer	Discipline	1,500
Chief Officer Class II	Nurse	1
Principal Officer	Nurse	9
Senior Officer	Nurse	15
Officer	Nurse	66
Chief Officer	Caterer	1
Principal Officer	Caterer	5
Senior Officer	Caterer	12
Officer	Caterer	36
Chief Works Officer Class I		3
Chief Works Officer Class II		5
Principal Works Officer		27
Senior Works Officer		38
Works Officer		105
Chief Clerk Officer		18
Principal Clerk Officer		71
Clerk Officer		34
Principal Officer	Instructor	18
Senior Officer	Instructor	38
Officer	Instructor	73
Civilian Instructional Officer I		1
Civilian Instructional Officer III		89
Civilian Instructional Officer IV		14
Staff Nurse		1
Cleaner		3
Messenger/Porter		3
Stores Supervisory Staff		6
Typing Grades		38
Telephonist		5
Civilian Tradesman		43
Civilian Driver		12
Night Watchman		1
Sewage Plant Attendant		4
Stockman		1
Stoker/Boilerman		16
Stores Industrial Staff		14
	TOTAL	2,871

Mr. Kilfedder asked the Secretary of State for Scotland what was the average basic salary excluding allowances and overtime for each grade including governors for the financial year 1984-85 in the prison service in Scotland.

Mr. Ancram: The following table shows the average level of basic pay in each grade in 1984-85:

	£
Salaries	
Governor I	22,605
Governor II	18,333
Governor III	15,660
Governor IV	12,684
Assistant Governor	10,982
Chief Officer I	11,984
Chief Officer II/Chief Clerk Officer	11,096
Wages	
Principal Officer/Principal Clerk Officer	175·06
Senior Officer	156·29
Prison Officer/Clerk Officer	135·81

Mr. Kilfedder asked the Secretary of State for Scotland what was the average gross salary including allowances and overtime for each grade including governors for the financial year 1984-85 in the prison service in Scotland.

Mr. Ancram: The information is set out in the following tables:

1. Average level of gross pay including rent allowance in lieu of quarters and tax compensation on rent allowance:

	£
Salaries 1984-85	
Governor I	25,600
Governor II	21,328
Governor III	18,595
Governor IV	14,901
Assistant Governor	13,199

2. Average level of gross pay including overtime, housing allowance in lieu of quarters and tax compensation on housing allowance:

	£
(a) Salaries 1984-85:	
Chief Officer I	15,677
Chief Officer II/Chief Clerk Officer	14,770
(b) Wages 1984-85:	
Principal/Principal Clerk Officer	276
Senior Officer	251
Prison Officer/Clerk Officer	222

These figures take into account that some officers live in official quarters; but do not include allowances payable at various rates for special skills, responsibilities etc., variable allowances or substitution payments.

Mr. Kilfedder asked the Secretary of State for Scotland what was the average overtime for each grade including governors for the financial year 1984-85 in the prison service in Scotland.

Mr. Ancram: The average overtime worked in 1984-85 was around 428 hours—or 8·2 hours a week by each officer. Governors are not overtime grade.

Mr. Kilfedder asked the Secretary of State for Scotland what percentage of officers had a gross salary in excess of *(a)* £13,000, *(b)* £14,000 and *(c)* £15,000 for the financial year 1984-85 in the prison service in Scotland.

Mr. Ancram: This information is not available in the form requested and could not be produced without disproportionate cost.

Labour Statistics

Mr. Dewar asked the Secretary of State for Scotland if he will publish figures for the number of part-time employees in Scotland by sex and sector in each of the last five years.

Mr. Younger [*pursuant to his reply*, 4 July 1985, c. *251*]: Estimates of the number of female part-time employees in employment in Scotland in each of the major sectors of such employment for each of the last five years are set out in the table; the estimates for 1982, 1983 and 1984 are provisional. Estimates for part-time male employment are available only for 1981.

Part-time employees in employment (thousands)

Sector	*Females*					*Males*
	1980	*1981*	*1982*	*1983*	*1984*	*1981*
Total	335	336	348	362	385	60
All service industries (9)	298	303	316	332	353	50
Wholesale distribution, hotels and catering (61-63, 66, 67)	54	51	56	52	58	15
Retail distribution (64, 65)	66	68	69	74	83	11
Education, health and other services (93, 99)	128	132	141	152	156	12

The sectors shown are based on divisions and classes of the 1980 Standard Industrial Classification.

NORTHERN IRELAND

Prison Service

Mr. Kilfedder asked the Secretary of State for Northern Ireland what was the total strength by grades including governors at 31 March of the Prison Service in Northern Ireland.

Mr. Scott: The information is as follows:

	Number
Governors	29
Assistant Governors	9
Assistant Governors (Trainees)	11
Chief Officers	26
Principal Officers	124
Senior Officers	184
Basic Grade Officers	2,404
Clerical Grades	109
Trades Staff	191
TOTAL	3,087

Health Education

Mr. Hume asked the Secretary of State for Northern Ireland if he has any plans to make health education and promotion a higher priority in future regional strategic health plans.

Mr. Chris Patten: The Department of Health and Social Services for Northern Ireland will shortly be issuing guidelines for the next round of strategic planning covering the period 1987-92. Both the guidelines and the subsequent regional strategic plan will give a high priority to the development of health education and prevention services.

Public Health

Mr. Hume asked the Secretary of State for Northern Ireland why the Chief Medical Officer for Northern Ireland has discontinued the publication of an annual report on the state of public health in Northern Ireland.

Mr. Chris Patten: The Chief Medical Officer for Northern Ireland does not publish a report on the state of public health in Northern Ireland. The annual report of the Department of Health and Social Services contains such information and a further report covering the period 1 January 1980 to 31 December 1982 is due to be published later this year.

Community Physicians

Mr. Hume asked the Secretary of State for Northern Ireland what is the ratio of community physicians per 1,000 of population in each of the Northern Ireland health board areas; and how these figures compare with provision in Scotland, England and Wales.

Mr. Chris Patten: The information in respect of each of the four health and social services boards is as follows:

	Ratio per 1,000 of the population
Eastern	·0077
Northern	·0104
Southern	·0105
Western	·0077

The ratio in England and Wales is ·0063 and in Scotland ·027.

Mr. Hume asked the Secretary of State for Northern Ireland why senior registrars in community medicine from Northern Ireland have to seek higher specialty training in England.

Mr. Chris Patten: Higher specialty training in community medicine for senior registrars is in fact available in Northern Ireland and there are at present six approved senior registrar posts.

Housing Executive (Heating Rebates)

Mr. Hume asked the Secretary of State for Northern Ireland (1) how much money is owed by the Northern Ireland Housing Executive to tenants as rebates on their district heating payments for the last financial year;

(2) to how many people district heating rebates are currently due; and what are the average levels of such rebates.

Mr. Chris Patten: These are matters for the Housing Executive but I understand from the chairman that some £906,000 is due to 4,469 tenants, representing an average rebate of £203. About one third of the total amount due will, however, be credited to tenants' district heating accounts to offset existing arrears of payments due to the Executive.

Mr. Hume asked the Secretary of State for Northern Ireland what further measures are being taken to seek to expedite the payment of district heating rebates to Northern Ireland Housing Executive tenants.

Mr. Chris Patten: This is a matter for the Housing Executive but I understand from the chairman that procedural and systems improvements made by the Executive and its district heating metering agents should enable earlier payment of district heating rebates in 1985.

Mr. Hume asked the Secretary of State for Northern Ireland when district heating rebates due from the Northern Ireland Housing Executive were paid in 1982, 1983 and 1984; and when will they be paid in the current year.

Mr. Chris Patten: This is a matter for the Housing Executive but I understand from the chairman that for the years in question the periods over which rebates were paid were as follows:

Year Ending	*Period of Payment*
31 March 1982	August-December 1982
31 March 1983	August-December 1983
31 March 1984	August-September 1984
31 March 1985	To be paid during July-August 1985

FOREIGN AND COMMONWEALTH AFFAIRS

Diplomats (Illegal Parking)

Mr. Peter Bruinvels asked the Secretary of State for Foreign and Commonwealth Affairs if he will publish in the *Official Report* a copy of the letter of 19 April from the vice marshal of the Diplomatic Corps to all heads of mission in the United Kingdom about illegal parking in London.

Mr. Renton: The text of the letter and of its second enclosure are as follows:

19 April 1985

Illegal Parking

I must once again draw your attention to the problem of the parking of diplomatic vehicles in London. The number of unpaid fixed penalty notices for parking offences by diplomatic vehicles is now running at the enormous figure of over 100,000 a year. This is double the figure of only 5 years ago and represents a much higher proportion of the total number of such offences.

I enclose a copy of a Parliamentary Answer given on 13 February by the Parliamentary Under-Secretary of State at the Home Office, which gives details of the total number of fixed parking penalty notices cancelled on grounds of diplomatic immunity for the three-year period 1981-1983 (which is the latest period for which complete figures were then available) broken down by country and organisation. The 1984 figures, which are still subject to late payments and cancellations, are also enclosed. These figures include both official and private vehicles. The successful efforts made by certain Missions to keep their figures down are appreciated. The very high figures for certain other Missions have also been noted.

This is a matter of growing public concern. Illegally parked vehicles not only cause inconvenience to residents in the areas affected but also contribute to traffic congestion, disrupt access, cause delays in public transport, hinder emergency services and generally prevent others from conducting their lawful official and private business. Moreover they bring discredit on the diplomatic community as a whole.

In my circular of 1 June 1983 I noted that "several Heads of Mission have told me that their staff (like those of UK Missions abroad) are under instructions to pay their parking penalties except where they have been unavoidably incurred on essential official duty—not simply on daily travel to and from work". It is clear however from the statistics either that many Missions do not have such instructions or alternatively that compliance with them is far from being fully effective.

As you will be aware, diplomats are obliged under Article 41 of the Vienna Convention to respect the laws and regulations of the receiving state. Deliberate and persistent disregard of this obligation cannot be ignored or regarded as acceptable behaviour by those concerned. In his letter of 15 August 1984 the Permanent Under-Secretary at the Foreign and Commonwealth Office drew attention to the Secretary of State's statement to the Foreign Affairs Committee of the House of Commons on 18 July that we would henceforth expect and apply more stringent standards.

The Government of course recognise that certain individual Missions, because of their geographical location, face particular difficulties. In this connection I should like to remind you that the Local Authorities have agreed to allocate up to three marked parking bays ("St. Andrew's Crosses") to each diplomatic Mission plus one for each Head of Mission, subject to local traffic conditions.

In my letter of 12 December 1983 I informed you that cars bearing diplomatic registration plates would be exempted from wheel-clamping. This remains the position but the exemption of the diplomatic corps has, as you will be aware, continued to arouse criticism from the press and Londoners generally. This is all the more reason for impressing upon your staff the importance of scrupulous adherence to parking regulations. In cases where diplomatic vehicles cause obstruction or danger, they will continue to be towed away. We expect the towing charge to be paid on the basis that it is a legal obligation in respect of a service performed.

As from 1 May 1985 detailed records will be kept of unpaid parking tickets by all cars with diplomatic registration plates. Persistent and deliberate failure by individual diplomats in their *private cars* to respect parking regulations and to pay fixed penalty notices will henceforth call into question their continued acceptability as members of diplomatic Missions in London. Where necessary particular cases will be drawn to our personal attention with a warning about the possible consequences. Due account will be taken if the parking tickets are subsequently paid or appropriate contributions made to the Central Ticket Office. Further unpaid parking tickets incurred by individuals will lead to a request for the withdrawal of the offender. An alternative in certain cases could be to grant a waiver of immunity so that the person concerned can be prosecuted.

Note will also be made of the total number of fixed penalty notices incurred by individual *official cars* of diplomatic Missions and left unpaid. In particular cases these will be drawn to your personal attention with a request, in the first instance, for appropriate action. If this has no effect, we shall be obliged to take further measures. This could include exercising the right under Article 9 of the Vienna Convention to declare a chauffeur unacceptable.

I trust that I will be able to count on your full cooperation and that it will not be necessary for me to draw individual cases to your attention. I must however leave you in no doubt about the strength of public feeling on this question and of the Government's determination to reduce very substantially the present level of illegal parking by individual vehicles.

Signed E H B Gibbs
Vice Marshall of the Diplomatic Corps

Fixed penalty notices cancelled on grounds of diplomatic immunity (metropolitan police district)

Organisation/country	*1984*
Afghanistan	11
Algeria	932
Antigua and Barbuda	17
Argentine Republic	0
Australia	2

Organisation/country	1984
Austria	51
Bahamas	21
Bahrain	644
Bangladesh	404
Barbados	319
Belgium	154
Bolivia	71
Botswana	62
Brazil	4,927
Brunei	86
Bulgaria	2,823
Burma	407
Cameroon	1,293
Canada	132
Chile	610
China	1,132
Colombia	553
Costa Rica	471
Cuba	2,147
Cyprus	2,698
Czechoslovakia	316
Dahomey	0
Denmark	1
Dominica, Commonwealth of	22
Dominican Republic	45
Eastern Caribbean St	28
Ecuador	304
Egypt	6,885
El Salvador	9
Ethiopia	530
Fiji	93
Finland	580
France	2,375
Gabon	345
Gambia	362
German Democratic Republic	198
Germany, Federal Republic of	226
Ghana	2,223
Greece	1,321
Grenada	5
Guyana	193
Haiti	0
Honduras	142
Hungary	1,456
Iceland	154
India	512
Indonesia	2,232
Iran	894
Iraq	2,783
Ireland, Republic of	755
Israel	282
Italy	2,981
Ivory Coast	911
Jamaica	1,446
Japan	2,378
Jordan	2,595
Kenya	1,739
Khmer Republic	0
Korea	218
Kuwait	996
Laos	0
Lebanon	73
Lesotho	69
Liberia	177
Libya	764
Luxembourg	2

Organisation/country	1984
Malagasy Republic	0
Malawi	119
Malaysia	2,440
Malta, Republic of	564
Mauritius	176
Mexico	467
Monaco	2
Mongolia	12
Morocco	1,248
Nepal	67
Netherlands	33
New Zealand	1
Nicaragua	27
Nigeria, Federal Republic of	5,920
Norway	91
Oman	1,155
Pakistan	2,249
Panama	329
Papua New Guinea	18
Paraguay	270
Peru	690
Philippines	466
Poland	2,463
Portugal	969
Qatar	1,727
Romania	484
Rwanda	0
Saudi Arabia	4,956
Senegal	555
Seychelles	17
Sierra Leone	437
Singapore	87
Somali Democratic Republic	325
South Africa, Republic of	25
Soviet Union	1,555
Spain	1,513
Sri Lanka	588
Sudan	2,635
Swaziland	21
Sweden	196
Switzerland	50
Syria Arab Republic	980
Tanzania	1,033
Thailand	1,637
Togo	99
Tonga	10
Trinidad and Tobago	164
Tunisia	355
Turkey	1,263
Uganda	1,906
United Arab Emirates	1,693
United States of America	223
Uruguay	438
Venezuela	793
Vietnam	7
Yemen Arab Republic	226
Yemen, Peoples Democratic Republic	370
Yugoslavia	1,061
Zaire	257
Zambia	953
Zimbabwe	666
Commonwealth Secretariat	212
EEC Commission	7

Organisation country	*1984*
International Cocoa Organisation	1
International Coffee Organisation	1
International Sugar Organisation	0
Inter-Governmental Maritime Consultative Organisation	31
International Maritime Satellite Organisation	3
Western European Union	3
International Wheat Council	2
United Nations	6
Apostolic Delegation	0
TOTAL	108,932

European Cup Final, Brussels

Mr. Heffer asked the Secretary of State for Foreign and Commonwealth Affairs if he will seek to ensure that all British football fans arrested in Brussels before, during and after the Liverpool *v.* Juventus match in Brussels are properly represented; and if he will request the Belgian Government to send such arrested fans to Britain to stand trial.

Mr. Renton: The five football fans awaiting trial in Brussels were all arrested before the match. They will be legally represented. One has engaged a lawyer privately and the court has already assigned lawyers to the others. Since the offences with which they are charged (theft or violent behaviour) occurred in Belgium and are not ones over which English courts have extraterritorial jurisdiction, the accused will have to stand trial in Belgium.

SOLICITOR-GENERAL FOR SCOTLAND

Departmental Staff

Mrs. Rumbold asked the Solicitor-General for Scotland what manpower reductions his Department has achieved in 1984-85.

The Solicitor-General for Scotland: No manpower reductions could be achieved during 1984-85 in the Crown Office, Procurator Fiscal Service and Lord Advocate's Department. Despite an increase of 25 in overall numbers, these Departments remained below their approved complementing levels throughout the period.

EMPLOYMENT

Labour Statistics

Mr. Baldry asked the Secretary of State for Employment whether jobcentres have any record of the names and addresses of the long-term unemployed in their locality.

Mr. Peter Morrison: Since the introduction of voluntary registration in October 1982 jobcentres no longer retain a complete record of the unemployed people seeking work in their locality. Such a comprehensive register has not proved necessary to the prompt filling of the great majority of vacancies notified to the employment service.

Mr. Baldry asked the Secretary of State for Employment when the research being carried out into the 18 to 25 years age group long-term unemployed and the information being collected will be published.

Mr. Alan Clark: The programme of research into long-term unemployment among 18 to 24-year-olds will not be completed until spring 1986. It is expected that the results of the research will be published soon after the work is completed.

Mr. Baldry asked the Secretary of State for Employment how often and in what circumstances it is necessary for an unemployed person to visit an unemployment benefit office.

Mr. Alan Clark: Most unemployed people attend their local unemployment benefit office to make their first benefit claim in their spell of unemployment. Thereafter they attend once each fortnight to sign a declaration that they are, amongst other things, unemployed and available for work. Some unemployed people sign weekly because they have asked to be paid weekly. Claimants aged 50 or more who have been unemployed for a year attend to sign on once a quarter.

However, people living six miles or more from their nearest unemployment benefit office can sign their weekly or fortnightly declaration at home and send it in by post but they are also interviewed in person periodically. Those living 10 miles or more away from their nearest unemployment benefit office can additionally make their first claim by post.

Mr. Baldry asked the Secretary of State for Employment what percentage of registered unemployed currently register for unemployment benefit by post.

Mr. Alan Clark: During the year ended June 1985 an average of 5·6 per cent. of unemployed people made their regular weekly or fortnightly declaration of unemployment by post. Additionally some people living 10 miles or more from their nearest unemployment benefit office made their initial claims by post. No statistics are kept of how many people so claimed.

Job Release Scheme

Mr. John Mark Taylor asked the Secretary of State for Employment if he will publish a table showing for each year since the inception of the job release scheme the yearly increments under the scheme, the changes in tax allowance under the scheme, the change in average adult earnings, the change in the level of the retirement pension and the rate of inflation.

Mr. Alan Clark: The information is as follows:

	Weekly increase in untaxed job release allowance		*Gross weekly increase in taxable job release allowance*	
	Higher rate £	*Lower rate* £	*Higher rate* £	*Lower rate* £
Month when job release allowance was increased				
November 1977	—	3·50	—	—
July 1978	8·50	—	—	—
April 1979	5·00	5·00	—	—
April 1980	5·50	4·50	13·00	11·50
April 1981	5·00	4·00	6·00	4·50
April 1982	4·50	3·50	5·00	4·50
April 1983	2·75	4·20	3·20	2·60
April 1984	2·90	2·30	3·35	2·75
April 1985	2·35	1·95	0·60	1·00

Notes:

1. Job Release Scheme became operational on 1 January 1977.
2. A higher rate of allowance for an applicant's whose spouse's

income was less than £11 per week was introduced in July 1978.

3. A taxable allowance for those on the Scheme for more than twelve months was introduced in April 1980. The allowance was set so that, on average, those on the taxable scheme received no less after tax than those on the untaxed scheme.

	Level of personal tax allowance	
	Single rate £	*Married rate* £
Financial year		
1976-77	735	1,085
1977-78	945	1,455
1978-79	985	1,535
1979-80	1,165	1,815
1980-81	1,375	2,145
1981-82	1,375	2,145
1982-83	1,565	2,795
1983-84	1,785	2,795
1984-85	2,005	3,155
1985-86	2,205	3,455

	Percentage increase in average adult earnings	
	Men aged 21 or over	*Women aged 18 or over*
April 1977-78	+13·4	+10·6
April 1978-79	+13·8	+11·7
April 1979-80	+22·8	+25·1
April 1980-81	+12·9	16·0
April 1981-82	+10·0	+8·3
April 1982-83	+8·4	+9·9
April 1983-84	+8·4	+7·0

Change in weekly basic state retirement pension	£
November 1979	+2·20
November 1978	+2·00
November 1979	+4·00
November 1980	3·65
November 1981	2·45
November 1982	3·25
November 1983	1·20
November 1984	+1·75
November 1985	+2·50

Note:

Increases in these pensions become effective in November each year and since November 1983 have been based on the Retail Price Index in the previous May.

	Percentage rate of inflation
April 1977-1978	7·9
April 1978-1979	10·1
April 1979-1980	21·8
April 1980-1981	12·0
April 1981-1982	9·4
April 1982-1983	4·0
April 1983-1984	5·2
April 1984-1985	6·9

National Institute of Fresh Produce

Sir John Wells asked the Secretary of State for Employment in which towns or other centres the National Institute of Fresh Produce has organised courses supported by his Department since the inception of the institute.

Mr. Peter Morrison: Since 1982, when it assumed responsibility for training in the fresh produce industry, the National Institute of Fresh Produce has organised courses supported by the Manpower Services Commission at the following places: Birmingham, Bradford, Bristol, Cardiff, Chichester, Gateshead, Glasgow, Leeds, Leicester, Liverpool, London, Manchester, Newcastle, Southall, Southampton, Uxbridge and in several towns in East Anglia.

Sir John Wells asked the Secretary of State for Employment how many young people have attended training courses organised by the National Institute of Fresh Produce supported by his Department in the past full year for which figures are available; and how many he anticipates will take part in such courses in the current year.

Mr. Peter Morrison: I regret that information is not held in the precise form requested. In 1984, 412 trainees, of all age groups, attended training courses run by the National Institute of Fresh Produce to which the Manpower Services Commission had contributed financially.

In the first quarter of 1985, 244 trainees attended institute courses which were supported by the commission. It is anticipated that this upward trend will continue throughout the remainder of 1985.

Wages Councils

Mr. Alfred Morris asked the Secretary of State for Employment what representations about the future of wages councils were made to his Department by the Co-operative Employers' Association at the meeting on 3 July; what response he is making; and if he will make a statement.

Mr. Peter Bottomley: The many different opinions in response to the consultative paper on wages councils will be fully considered before final decisions are taken. It is for those who responded to decide whether they publish their responses.

Job Creation

Mr. Gordon Brown asked the Secretary of State for Employment if the figures for the numbers of additional jobs created since March 1983 include second jobs of either employees or self-employed.

Mr. Alan Clark: The Department's employment estimates include second jobs when those jobs are held as employees but not when they are held as self-employed.

Pneumoconiosis

Mr. Wigley asked the Secretary of State for Employment how many cases have been approved for compensation payments during the past 12 months under the Pneumoconiosis etc. (Workers Compensation) Act 1979; what has been the average payment made in these cases; what is the total number of cases for which payment has been made since the enactment of this legislation; and what is the total compensation paid over this period and the average compensation corresponding to these figures.

Mr. Peter Bottomley: The information requested is as follows:

	Approved applications	Total paid £	Average payment £
1 July 1984 to 30 June 1985	46	269,519	5,859
4 July 1979 to 30 June 1985	4,488	27,037,524	6,024

Youth Training Scheme

Mr. Tony Banks asked the Secretary of State for Employment how the effectiveness of the youth training scheme is being measured on a national basis.

Mr. Peter Morrison [*pursuant to his reply*, 9 July 1985]: The Manpower Services Commission is carrying out a number of studies concerned with the effectiveness of the youth training scheme. These include a regular monthly survey of young people after they leave the youth training scheme; a cohort study comparing the experiences of youth training scheme participants and those entering the labour market by other routes; a study of the wider labour market effects of the scheme; and a survey of organisations providing training under the scheme.

Mr. Tony Banks asked the Secretary of State for Employment, what are the current arrangements for monitoring the provision by employers of post youth training scheme training and the match of this training to skill requirements.

Mr. Peter Morrison: [*pursuant to his reply*, 9 July 1985]: The Manpower Services Commission is carrying out three studies in this area: a regular monthly survey of young people after they leave the youth training scheme, which shows the occupational areas in which leavers are obtaining work and the type of training they receive in these jobs; a cohort study, which compares the experiences of scheme trainees with that of young people who enter the labour market by other routes; and a further study which is examining the effects of the youth training scheme on local markets. However, employers continue to be primarily responsible for assessing their skill requirements and training their staff accordingly.

Mr. Tony Banks asked the Secretary of State for Employment how the effectiveness of the non-statutory training organisations which replaced some industry training boards in predicting, measuring and meeting their industry's needs, is being measured.

Mr. Peter Morrison [*pursuant to his reply*, 9 July 1985]: Consideration of the effectiveness with which non-statutory training organisations carry out their functions is primarily a matter for the particular industrial sector. The Manpower Services Commission recently received reports from the CBI and its own officials which indicated that the arrangements for non-statutory training organisations are generally working satisfactorily.

AGRICULTURE, FISHERIES AND FOOD

Gangmasters

Miss Maynard asked the Minister of Agriculture, Fisheries and Food how many complaints, and of what nature, he has received about gangmasters since 1 January 1982.

Mrs. Fenner: I informed the hon. Member on 14 July 1983 that nine complaints about gangmasters had been received, eight alleging payment of piece rates below Agricultural Wages Board minimum rates and one relating to holiday remuneration. Since then no further complaints of this nature have been received.

Horticulture

Sir John Wells asked the Minister of Agriculture, Fisheries and Food if his Department makes any direct financial contribution to horticultural training; and if he will make a statement.

Mrs. Fenner: My Department makes a substantial annual grant to the Agricultural Training Board which is responsible for providing horticultural as well as agricultural training.

Sir John Wells asked the Minister of Agriculture, Fisheries and Food if he has any plans to provide financial or other support for the Institute of Horticulture; and if he will make a statement.

Mrs. Fenner: We welcome the establishment of the Institute of Horticulture to foster the interests of qualified horticulturalists, but we have no plans to provide it with financial support.

Milk Quota

Mr. Maxwell-Hyslop asked the Minister of Agriculture, Fisheries and Food whether he will make it his policy to seek to buy in enough milk quota to honour supplementary quota without any percentage discount.

Mr. MacGregor: I will reply to my hon. Friend as soon as possible.

ENVIRONMENT

Local Authorities (Tendering Policy)

11. **Mr. Madel** asked the Secretary of State for the Environment when he intends to introduce measures to stop local authorities discriminating against companies' tenders on political grounds.

Mr. Patrick Jenkin: Soon.

Rate Support Grant

14. **Mr. Dobson** asked the Secretary of State for the Environment when he proposes to announce provisional details of the 1986-87 rate support grant settlement.

Mr. Patrick Jenkin: I hope to do so before the summer recess.

46. **Mr. Campbell-Savours** asked the Secretary of State for the Environment what consultations he has with organisations representing regional interests prior to determining the rate support grant settlement for local authorities in the north and north-west regions; and if he will make a statement.

Mr. Waldegrave: My right hon. Friend consults the local authorities through the Consultative Council on Local Government Finance, and the various groups of central Government officials and local government officers which report to it. Local authorities in the north and north-west regions are represented at CCLGF and on the officer groups by the Association of County Councils, the Association of District Councils and the Association of Metropolitan Authorities.

51. **Mr. Forman** asked the Secretary of State for the Environment how much rate support grant has been paid to Lambeth borough council in the current financial year.

Mr. Waldegrave: £17·19 million has been paid so far in 1985-86.

Local Government Reform

15. **Mr. Tony Banks** asked the Secretary of State for the Environment whether, in the light of changes to the Local Government Bill and the availability of further information since the financial and explanatory memorandum was published, he has revised or updated the estimates in that memorandum of the savings likely to be made following the abolition of the Greater London council and the metropolitan county councils.

Mr. Kenneth Baker: No.

20. **Mr. Silvester** asked the Secretary of State for the Environment what is the present position in the discussions between the Staff Commission and the unions in the Greater London council and the metropolitan county councils.

Mr. Kenneth Baker: These are essentially matters for the Staff Commission itself. But the chairman has told me that some discussions of this kind have taken place. He has also emphasised that the commission remains very willing to meet representatives of any union whose members are effected by the abolition of the GLC and the metropolitan county councils.

24. **Mr. Evennett** asked the Secretary of State for the Environment what are his most recent estimates of potential savings following the abolition of the Greater London council and the metropolitan county councils.

Mr. Kenneth Baker: Those set out in the explanatory and financial memorandum to the Local Government Bill, as amplified by the answer I gave on 30 November in reply to my hon. Friend the Member for Surbiton (Mr. Tracy).

Rating

16. **Mr. Fatchett** asked the Secretary of State for the Environment how many representations have been made on the review of the rating system; and if he will make a statement.

Mr. Waldegrave: A large proportion of the letters my Department receives make suggestions about the review of the local government finance system. We hope to announce our conclusions around the turn of the year.

Derelict Land

17. **Mr. Waller** asked the Secretary of State for the Environment what action his Department is taking to enable derelict land of less than one acre to be put on the register of derelict land.

Mr. Macfarlane: Land does not have to be derelict before it can be entered on the land registers. At present, public bodies are required to register unused and underused sites of one acre or more in their ownership. My right hon. Friend the Secretary of State is, however, empowered to register underused publicly owned land whatever its size. On 7 June he announced that he is prepared to consider registering sites below one acre when they are brought to his attention by the private sector. We are not asking public bodies to register all the sites they own.

Birmingham (Parish Councils)

18. **Mr. Beaumont-Dark** asked the Secretary of State for the Environment what action he intends to take over Birmingham city council's plans to create 90 parish councils and their implications for rate capping.

Mr. Waldegrave: Neither the Birmingham city council, nor the Local Government Boundary Commission which is conducting a review in the city, has power to create parishes. If the Commission evntually reports to me with proposals, I will consider whether or not to accept them. There are no immediate implications for rate capping.

Private Rented Sector

19. **Mr. Marlow** asked the Secretary of State for the Environment if he will make a statement on the private rented sector.

58. **Mr. Nelson** asked the Secretary of State for the Environment whether he will bring forward legislation to facilitate the provision of increased letting of private properties.

Mr. Gow: The Government hope to introduce legislation to encourage the supply of more homes for renting in the private sector, but probably not during the lifetime of this Parliament.

35. **Mr. Eggar** asked the Secretary of State for the Environment what representations he has received about the control of new private sector lettings.

Mr. Gow: We continue to receive many representations on this subject.

73. **Mr. Yeo** asked the Secretary of State for the Environment what proportion of householders live in privately rented dwellings.

Sir George Young: The 1983 general household survey shows 11 per cent. of households in England living in privately rented accommodation, including 2 per cent. in Housing Association accommodation.

Improvement Grant System

21. **Mr. Beith** asked the Secretary of State for the Environment what consideration he has given to the impact on charitable building trusts of his proposals for the improvement grant system.

Sir George Young: The Green Paper "Home Improvement—A New Approach" sets out proposals for the broad framework of a new home improvement grant and loan system. We would welcome comments, including any on the impact on charitable building trusts.

Urban Aid Programme

22. **Mr. Madden** asked the Secretary of State for the Environment what representations he has received from Bradford about the allocation of revenue expenditure to voluntary organisations under the urban aid programme.

Mr. Kenneth Baker: I have received representations from a number of organisations in addition to those mentioned in reply to the hon. Member on 13 June. I now await revised proposals from the city council.

32. **Mr. Meadowcroft** asked the Secretary of State for the Environment what representations he has had on the level of urban programme finance for new and continuing projects.

Sir George Young: My right hon. Friend has received many representations in support of the urban programme. These incorporate a variety of views on how resources should be divided between new and continuing schemes.

Local Government Finance

23. **Mr. Stan Thorne** asked the Secretary of State for the Environment if he has met representatives of the Association of County Councils since 3 May to discuss matters of local government finance.

Mr. Patrick Jenkin: Ministers met the leaders of the local authority associations on 20 May to discuss a report on the review of the capital control system. My hon. Friend the Parliamentary Under-Secretary of State met the ACC on 10 June to consider the reform of local government finance.

Millwall Football Club

25. **Mr. Rowe** asked the Secretary of State for the Environment what representations he has received from Millwall football club regarding planning permission for a superstore on its site.

Mr. Macfarlane: I know of no such representations. An appeal relating to proposals for a superstore on this site is, however, before my right hon. Friend.

Sports Council (Funding)

26. **Mr. Dixon** asked the Secretary of State for the Environment if he proposes to allocate extra funds to the Sports Council for the improvement of sports stadiums.

Mr. Macfarlane: The financial implications of safety improvement work are being considered by my working group, comprising representatives from the football authorities, the Football Trust, the Football Grounds Improvement Trust, the Sports Council and Government Departments. At this stage we do not have an overall estimate of the likely costs of any necessary safety work and it is therefore too early to consider how much, and from what source, funding might be available.

Liverpool

27. **Mr. Wareing** asked the Secretary of State for the Environment when he next plans to visit Liverpool.

Mr. Patrick Jenkin: I plan to visit Merseyside later this month, but the programme has not yet been fixed.

Sports Grounds (Safety)

28. **Mr. Wainwright** asked the Secretary of State for the Environment what discussions he has had with the national associations of sports other than football in regard to ground safety.

Mr. Macfarlane: I met representatives of the Rugby League on 4 June and representatives of the Test and County Cricket Board on 21 June. Our discussions covered crowd control and behaviour and ground safety.

Ancient Monuments

29. **Mr. John Mark Taylor** asked the Secretary of State for the Environment whether he has any plans to introduce further legislation regarding the safety, security and welfare of ancient monuments; and if he will make a statement.

Mr. Patrick Jenkin: No. My powers, and those of the Historic Buildings and Monuments Commission and, where necessary, of police authorities are generally adequate.

Wildlife and Countryside Act 1981

30. **Mr. Andrew F. Bennett** asked the Secretary of State for the Environment if he is now satisfied with the working of the Wildlife and Countryside Act 1981; and if he will make a statement.

Mr. Waldegrave: The Government are satisfied that the 1981 Act provides a sound basis for future conservation policies, particularly following the passage of the recent amendment Act.

Gleneagles Agreement

31. **Mr. Tom Clarke** asked the Secretary of State for the Environment if he will make a statement on the operation in the United Kingdom of the Gleneagles agreement.

Mr. Macfarlane: The Government fully implement the requirements of the Commonwealth statement on apartheid in sport.

Rates Act (Local Authority Designation)

33. **Mr. Chris Smith** asked the Secretary of State for the Environment if he is able to announce the date for giving details of authorities to be designated in 1986-87 under the Rates Act.

Mr. Kenneth Baker: My right hon. Friend hopes to announce the designated authorities before the summer recess.

Local Authority Housing

34. **Mr. Sean Hughes** asked the Secretary of State for the Environment how many local authority houses he expects to be started in 1985-86.

Mr. Gow: Total housing starts for England in 1984 were 169,000, of which 23,000 were started by local authorities and new towns. The equivalent figures for the first five months of this calendar year were 69,000 and 8,000. It is not our practice to make forecasts.

38. **Mr. Tony Lloyd** asked the Secretary of State for the Environment if he will estimate how many local authority dwellings built since 1950 are in need of demolition.

Sir George Young: This information is not currently available. However, we have recently asked all local

authorities to provide information on the condition of their housing stock, including the number of dwellings they consider need to be demolished. Local authorities' returns are now being analysed and the results will be available in due course.

Environmental Hazards

36. **Mr. Alex Carlile** asked the Secretary of State for the Environment whether he is satisfied that potential environmental hazards, including those of nuclear pollution, are being satisfactorily monitored and publicised.

Mr. Waldegrave: Yes. A number of Government Departments are involved in monitoring environmental quality, as are water authorities and local authorities. Numerous firms monitor around their own works, and many research programmes carried out by universities and Government laboratories also provide monitoring information.

My Department publishes the annual "Digest of Environmental Protection and Water Statistics" which comments on the trends revealed by major environmental monitoring schemes, including those covering air pollution, water pollution and radioactivity. This publication also describes the major monitoring schemes in place.

Commonwealth Games 1986

37. **Mr. Jim Callaghan** asked the Secretary of State for the Environment when the Minister with responsibilities for sport last met officials of the Commonwealth Games Federation to discuss the 1986 Commonwealth Games.

Mr. Macfarlane: I last met the chairman of the Commonwealth Games Federation for a general discussion about the games, including the 1986 games, on 7 September 1984. My officials keep in regular contact with the secretary of the Federation. My right hon. Friend the Secretary of State for Scotland has close and regular contact with the 1986 games organising committee.

Liverpool (Rate Support Grant)

39. **Mr. Squire** asked the Secretary of State for the Environment how much rate support grant has been paid to Liverpool city council in the current financial year.

Mr. Patrick Jenkin: £36·48 million has been paid so far in 1985-86.

Northern Region (Housing)

40. **Mr. Fallon** asked the Secretary of State for the Environment how many council houses in the northern region are unoccupied.

Mr. Gow: Local authorities' 1984 housing investment programme returns showed 10,604 empty local authority dwellings in the northern region at 1 April 1984.

Hazardous Waste

41. **Mr. Frank Cook** asked the Secretary of State for the Environment when he expects to announce changes to the laws and regulations affecting the disposal of hazardous waste, in line with the report of the hazardous waste inspectorate.

Mr. Waldegrave: The main conclusion of this report is the need for all concerned to apply current standards and controls properly. My right hon. Friend and I intend shortly to discuss with both representatives of industry and the local authority associations what action is needed. I am currently considering, in the light of a review of the Control of Pollution (Special Wastes) Regulations, whether any measures are needed to strengthen the law in this field.

55. **Mr. Colvin** asked the Secretary of State for the Environment if he will make a statement on his policy regarding the public disclosure of the results of the monitoring of hazardous waste disposal plants.

Mr. Waldegrave: The Government accept the view of the Royal Commission on environmental pollution that there should be a presumption in favour of allowing access to information obtained by pollution authorities as part of their duties. An interdepartmental working party has been set up to consider the further measures needed to implement this general approach on a consistent and practicable basis.

69. **Mr. Simon Hughes** asked the Secretary of State for the Environment what consideration is currently being given by his Department to increasing the powers of his Department or of local authorities to prevent the dumping or storage of asbestos, toxic or other wastes on derelict sites, particularly those previously with an industrial use.

Mr. Waldegrave: The disposal of such wastes is already subject to licensing control under the Control of Pollution Act 1974. In addition, movement of specified types of hazardous wastes are subject to the Control of Pollution (Special Waste) Regulations 1980. My right hon. Friend is currently considering in the light of a review of these regulations whether these controls need to be strengthened or supplemented in any way.

Council House Sales

42. **Mr. John Fraser** asked the Secretary of State for the Environment what was the total of capital receipts from the sale of council houses in 1984-85.

Mr. Gow: In 1984-85 English local authorities and new towns received an estimated £1·3 billion through initial payments and mortgage repayments relating to council house sales.

60. **Mr. Knox** asked the Secretary of State for the Environment how many council houses have been sold to sitting tenants in England since May 1979.

Sir George Young: From April 1979 to March 1985 about 626,000 dwellings were sold to sitting tenants by local authorities and new towns in England.

Shorthold Tenancies

43. **Mr. Heathcoat-Amory** asked the Secretary of State for the Environment if he is planning any changes to the rules governing shorthold tenancies.

Sir George Young: We shall consider the future of shorthold in the context of the legislation to stimulate the supply of more private rented accommodation which my right hon. Friend the Secretary of State mentioned in his reply to a question from the hon. Member for Holborn and St. Pancras (Mr. Dobson) on 12 June.

Home Improvement Finance

44. **Mr. Alton** asked the Secretary of State for the Environment what discussions he has had with local authorities, building societies and other financial institutions on the wider provision of finance for home improvement.

Sir George Young: A preliminary discussion of the Green Paper "Home Improvement—A new Approach" took place on 10 June between representatives of the local authority associations and Ministers at the meeting of the Housing Consultative Council. My Department intends to discuss the Green Paper with a wide range of interested bodies, including the financial institutions.

Beaches (Health Standards)

45. **Mr. Tom Cox** asked the Secretary of State for the Environment if he will list those beaches in Great Britain that do not meet the health standards laid down by the European Economic Community.

Mr. Waldegrave: Routine information only is held centrally on the quality of the bathing waters identified under the European Council directive of 8 December 1975. Of these waters, the following did not meet the directive's bacteriological standards in 1984:

Thorpe Bay (Essex); Ryde, Sandown Esplanade and Shanklin Chine (Isle of Wight); Goodrington (Paignton); and Porthminister (St. Ives).

Cricket Matches (Crowd Control)

47. **Mr. John Carlisle** asked the Secretary of State for the Environment what recent discussions have taken place between the Minister with responsibility for sport and the Test and County Cricket Board concerning the implications for crowd control of spectator intrusion on to the playing area of cricket pitches; and if he will make a statement.

Mr. Macfarlane: I met representatives of the Test and County Cricket Board on 21 June. We discussed crowd control and crowd behaviour at recent cricket matches, including spectator intrusions on to the playing area. The TCCB shares my concern to ensure that early action is taken to stop the worrying decline in crowd behaviour and is urgently considering steps to be taken.

Heritage Policy

48. **Mr. Norris** asked the Secretary of State for the Environment if he will make a statement on the Government's policy towards Britain's heritage.

Mr. Macfarlane: The Government's policy is to protect and promote the heritage for the present and future enjoyment of the British public and for the benefit of our tourist industries. We are therefore maintaining the royal parks and palaces to a high standard and shall continue to protect structures of archaelogical, architectural or historic importance through the powers and resources given to the Historic Buildings and Monuments Commission and other agencies concerned with the built heritage and works of art. In addition, we shall ensure that the Nature Conservancy Council and the Countryside Commission are given the necessary powers and resources to conserve the habitats of our plants and animals and the most important features of Britain's natural landscape.

Job Creation (Leicester)

49. **Mr. Peter Bruinvels** asked the Secretary of State for the Environment how much money has been committed by his Department to projects within the city of Leicester in 1985 and to date; and if he will estimate the number of jobs this created.

Sir George Young: since 1979-80 Leicester has received capital expenditure allocations of some £128 million for housing and £34 million for its inner area programme. Allocations for 1985-86 were £15 million and £5·43 million, respectively. In addition, Leicester has received grant towards expenditure of £65,081 on reclamation of derelict land over the period, none of it in 1985-86. Over the same period, the Housing Corporation, which is funded by my Department, has made allocations of £39 million for schemes in Leicester including £7·1 million in the current year. My right hon. Friend cannot say how many jobs have been created by these allocations.

Housing (Disabled People)

50. **Mr. Ashdown** asked the Secretary of State for the Environment what representations he has had on the availability of housing for young disabled people.

Sir George Young: My right hon. Friend has not received any such representations recently. But if the hon. Member would like to send me details of what he has in mind, I will look into the matter further.

Improvement Grants

52. **Mr. Pike** asked the Secretary of State for the Environment when he will publish his proposals for income scales for those who will be eligible for assistance under his Green Paper proposals about improvement grants.

Sir George Young: The Green Paper explains that our intention is to make the eligibility tests compatible with, even if they cannot be exactly the same as, those for entitlement to housing benefit. The overriding aim, however, will be to ensure that as far as possible the system includes those who are unable to afford necessary improvement and repair work unaided, and excludes those who do not need help. We shall publish our detailed proposals in due course, in the light of responses to the Green Paper.

Surplus Urban Land

53. **Mr. Heddle** asked the Secretary of State for the Environment how many times he has used the powers given to him under section 98 of the Local Government, Planning and Land Act to direct local authorities to sell surplus urban land.

Mr. Macfarlane: I refer to my answer to my hon. Friend on 16 May 1985.

On 25 June my right hon. Friend gave notice, under section 99 of the Local Government, Planning and Land Act 1980, to the owners of 50 sites on the land registers of his intention to exercise his powers under section 98 of the Act to require them to dispose of their interest in the land. The notices gave the owners of the sites 42 days in which to make representations as to why he should not issue the directions. A list of the 50 sites in question has been placed in the Library of the House.

Football Grounds (Ministerial Visits)

54. **Dr. Mawhinney** asked the Secretary of State for the Environment how many third and fourth division football grounds the Minister with responsibility for sport visited in his official capacity and on how many of these occasions he watched a match, during the last football season.

Mr. Macfarlane: I visited Bradford City's ground on 12 May 1985, the day after the tragic fire. I did not attend a third or fourth division match last season.

Business Rates

56. **Miss Maynard** asked the Secretary of State for the Environment if he proposes any further studies on the effect of business rates on the location of employment.

Mr. Waldegrave: A number of organisations have offered further information on the effect of business rates in response to my letter of 8 March. A decision on further studies will be taken when the fresh information has been assessed.

South-East Structure Plans

57. **Mr. Andrew MacKay** asked the Secretary of State for the Environment if he will make a further statement on structure plans in the south-east.

Mr. Macfarlane: The position remains as in my right hon. Friend the Minister for Local Government's reply of 6 February at column *925*, to my hon. Friend's earlier question, except that the east Sussex third alteration was approved by my right hon. Friend the Secretary of State on 9 May 1985. Berkshire county council is, I understand, considering the public response to its second consultation document on the review of its structure plans. Many of the policies in the plans for west and central Berkshire expire in 1986 and I hope therefore that the county council will see the need to submit a replacement plan before the end of this year.

Green Belt Policy

59. **Mr. Cartwright** asked the Secretary of State for the Environment whether he has any plans to change his policy towards new house building on the green belt.

Mr. Macfarlane: No. In my Department's circular 14/84, we reaffirmed the objectives of green belt policy and the related development control policies.

Litter

61. **Mr. Favell** asked the Secretary of State for the Environment if he has any further proposals to deal with the problem of litter.

Mr. Waldegrave: No. This is primarily a field for local action and initiative. Local authorities already have duties and powers relating to the cleaning of highways and other public places, and the Keep Britain Tidy group, which is financially supported by my Department, plays an important part in securing the collaboration of local authorities and other interests and groups in measures to prevent litter. The long term answer to the litter problem must lie primarily in persuasion and education.

Marine Nature Reserve

62. **Mr. Kenneth Carlisle** asked the Secretary of State for the Environment when he expects to announce the first marine nature reserve.

Mr. Waldegrave: It remains impossible to forecast exactly when the first reserve will be designated, but encouraging progress continues at two sites. I hope negotiations will be successfully concluded in 12 to 18 months.

Water Supplies (Nitrate Content)

63. **Mr. Teddy Taylor** asked the Secretary of State for the Environment if he has now made a decision on the applications from a number of water authorities to secure exemption from limits of nitrate content in public water supplies; and if he will make a statement.

Mr. Macfarlane: My right hon. Friend will announce the decisions shortly.

Widdicombe Committee (Report)

64. **Mr. Foster** asked the Secretary of State for the Environment if he will make it his policy to publish the interim report of the Widdicombe committee before the House rises for the summer adjournment.

Mr. Waldegrave: The Widdicombe inquiry is expected to submit its interim report on local authorities' involvement in publicity and political campaigning by 31 July. Whether the subsequent publication of that report will precede the date on which the House rises for the summer adjournment is not a matter within my control, but it will certainly be published as soon as practicable.

Local Authority Manpower

65. **Mr. Conway** asked the Secretary of State for the Environment what are the current levels of local authority manpower compared with 1979, broken down into manual and non-manual staff.

Mr. Waldegrave: Following is the information from the joint manpower watch survey for local authorities in England:

Manpower (Full time equivalents)

	March 1979 (Thousands)	*March 1985 (Thousands)*	*Change (Thousands)*	*(Per cent.)*
Non-Manual	1,273·3	1,292·0	+18·7	+1·5
Manual	692·5	598·3	−94·2	−13·6
Total	1,965·8	1,890·3	−75·5	−3·8

Capital Spending Controls

66. **Mr. Hayes** asked the Secretary of State for the Environment what measures he intends taking to introduce a new system of capital spending controls.

Mr. Kenneth Baker: We are considering a number of possible options with the local authority associations. We had a meeting with the associations on 20 May and there has been further correspondence since. Further work is being carried out, but I am not yet ready to bring forward proposals.

Football Hooliganism

67. **Mr. Pendry** asked the Secretary of State for the Environment when he will next meet the officials of the Football Association and Football League to discuss anti-hooligan proposals before the commencement of the 1985-86 football season.

Mr. Macfarlane: I refer the hon. Member to the reply I gave to the hon. Member for Liverpool, Riverside (Mr. Parry) on 2 July at column *100*.

Local Authorities (Capital Expenditure)

68. **Mr. Speller** asked the Secretary of State for the Enironment what representations he has received from local authorities about difficulties experienced in meeting capital expenditure targets; and if he will make a statement.

Mr. Kenneth Baker: I have received quite a number of representations about the level of local authority capital allocations for 1985-86 and the reductions in the prescribed proportion of capital receipts which authorities may add to those allocations. I regret the effect on local authorities' programmes, but the measures were the very least necessary if we were to have any reasonable prospect of achieving our public expenditure plans for the year. As I announced on 26 June, at column *392*, in response to a question from my hon. Friend the Member for Skipton and Ripon (Mr. Watson), returns submitted by authorities show that there may still be an overspend in the main cash limit, but, in view of the uncertainty and the risk of disruption to authorities' programmes, I nevertheless propose no further action at present.

Housing Investment Allocations

70. **Dr. McDonald** asked the Secretary of State for the Environment if, considering 1986 investment allocations, he will take into account the liabilities of local authorities under the Housing Defects Act.

Mr. Gow: For the 1985-86 HIP allocations, an indicator was included in the generalised needs index to reflect the need for expenditure on publicly and privately owned defective PRC houses. The arrangements for the 1986-87 allocations are being discussed with the local authority associations, but I expect that this indicator will again be included.

Housing Statistics

71. **Mr. Chapman** asked the Secretary of State for the Environment what is his estimate of the number of occupied domestic heriditaments in Greater London, the number of people in that area receiving rate rebates and the number of local electors.

Mr. Waldegrave: The number of occupied domestic hereditaments in Greater London is estimated to be about 2·5 million. Based on local authority returns, the number of rate rebate recipients in 1984-85 is estimated to be 920,000. In the same year the number of electors was 5·06 million.

Local Authorities (Empty Houses)

72. **Mr. Amess** asked the Secretary of State for the Environment what measures he plans to take to require local authorities to sell the empty houses currently in their possession.

Mr. Heddle asked the Secretary of State for the Environment what action he proposes to seek to reduce the number of local authority dwellings remaining empty for long periods; and whether he will make a statement.

Mr. Gow: The public sector should take all possible steps to reduce the numbers of empty dwellings.

My Department is today issuing a circular to all local authorities in England with detailed guidance on measures to reduce the number of their empty dwellings by:

1. Better management of their reletting procedures;
2. Better management of their improvement programmes;
3. Greater use of short-life schemes and temporary lettings;
4. Sales to the private sector.

My right hon. Friend the Secretary of State for the Environment had decided to promote the short-life use of empty local authority property by extending the eligibility for Housing Association grant ("Mini-Hag") to dwellings which are not scheduled for demolition. This should be of particular benefit to homeless families.

The Government encourage local authorities to sell vacant dwellings either directly into owner-ocupation, granting discounts to priority purchasers, or to developers for improvement and subsequent sale into owner-occupation.

Epping Forest

74. **Sir John Biggs-Davison** asked the Secretary of State for the Environment if he wil list the farmland and other estates of the Greater London council within the Epping Forest district of Essex; what consultations have been, and are being, held about their management after the abolition of the Greater London council; and if he will make a statement.

Mr. Macfarlane: My Department does not have comprehensive records of the farmland and other estates owned by the GLC within the Epping Forest district council area, but it is understood its holdings include the Woodredon and Warlies park estates; Debden estate; and land forming part of Hainault country park; but the position is being clarified in relation to individual sites. My right hon. Friend has published two papers of relevance to land owned by the GLC; statement (of November 1984) of decisions on GLC interests in land held under the provisions of the Green Belt (London and Home Counties) Act 1938; and memorandum on the transfer of property, rights and liabilities issued in March 1985.

In both cases he has invited representations from authorities about particular sites.

House Repair

Mr. Stern asked the Secretary of State for the Environment (1) when he anticipates that an appropriate repair scheme under the Housing Defects Act 1984 will be approved for Woolaway houses;

(2) when he anticipates that an appropriate repair scheme under the Housing Defects Act 1984 will be approved for Cornish unit houses.

Mr. Gow: PRC Homes Limited, a subsidary of the National House Building Council, has invited designers and builders to submit proposals for the reinstatement of PRC houses, designed before 1960, including the Cornish unit and Woolaway types. The NHBC has indicated that it will take about six weeks from receipt of the first applications for approval to be given. I hope that the first methods of repair for Cornish unit and Woolaway houses will be approved this autumn.

North Pennines Inquiry

Mr. Maclean asked the Secretary of State for the Environment what briefing has been given to the inspector for the impending public inquiry into the proposed area of outstanding natural beauty in the North Pennines; and if he will make a statement.

Mr. Waldegrave: A brief will be provided for the inspector in due course and will be made available on request from the opening of the inquiry or at any pre-inquiry meeting.

North-East Hampshire Structure Plan

Mr. Steel asked the Secretary of State for the Environment, pursuant to the answer of 7 May, *Official Report*, column *299*, if he will now make a statement on the report of the examination in public into the north-east Hampshire structure plan; and when the report and his response to it will be made public.

Mr. Patrick Jenkin: I am considering the report of the panel which conducted the examination in public into the submitted alteration to the north-east Hampshire structure plan. I hope to publish the report and proposed modifications soon.

Mount Pleasant Airport

Mr. Dalyell asked the Secretary of State for the Environment if he will give a breakdown of the £89 million required for the progress of the Mount Pleasant airport in the Falklands after 1 June.

Sir George Young: It is not the practice to disclose rates for particular components of Government contracts, but I can say that essentially the sum covers the balance of work to complete the secondary runway, aircraft apron, roads, buildings and services, together with the site clearance of temporary facilities when construction ceases and the usual provisions for retention pending the expiry of maintenance periods on work already completed.

London Residuary Body

Mr. Tony Banks asked the Secretary of State for the Environment (1) to whom the London Residuary Body will be accountable; and whether there are any plans for a review of its expenditure by the Audit Commission;

(2) if the validity of proceedings of the London Residuary Body will be dependent on an established quorum.

Mr. Kenneth Baker: I refer the hon. Member to clauses 55, 76 and 77 and paragraph 9 of schedule 13 to the Local Government Bill (Lords introduction print).

GLC (Grants)

Mr. Tony Banks asked the Secretary of State for the Environment why it has taken since 17 March to consider the Greater London council application under section 7 of the Local Government (Interim Provisions) Act to make grants to Searchlight, Spare Rib and the Women's Peace Bus.

Mr. Kenneth Baker: Because each application must be considered carefully and on its individual merits. Relevant information on the grant to Searchlight, for which consent has now been given, was not provided by the GLC until 20 May.

After the most careful consideration, consent to the proposed grants to Spare Rib and the Women's Peace Bus Co-operative has now been refused.

Conference Centre, Westminster

Mr. Wheeler asked the Secretary of State for the Environment if a name has been selected for the conference centre now under construction at Broad Sanctuary, Westminster.

Sir George Young: I am pleased to announce that the Queen has graciously agreed that the centre may be named The Queen Elizabeth II conference centre.

It has also been decided to name the main rooms in the centre generally after the British figures who have made a significant contribution to modern society. These rooms will be named as follows:

Auditorium—Churchill Auditorium
Conference Room 1—Fleming Room
Conference Room 2—Whittle Room
Conference Room 3—Rutherford Room
Conference Room 4—Henry Moore Room
Upper Conference Suite—Mountbatten Suite
Main Delegates' Lounge—Benjamin Britten Lounge
Small Delegates' Lounge—Nightingale Room
Press Lounge—Caxton Lounge
Small Dining Room—Abbey Room

Written Answers to Questions

Thursday 11 July 1985

EDUCATION AND SCIENCE

Teachers' Salaries

Mr. Peter Bruinvels asked the Secretary of State for Education and Science if he will publish figures to show the percentage increase in teachers' salaries in cash and real terms *(a)* from the implementation of the Houghton award to April 1979, *(b)* from the implementation of the Houghton award to April 1984, *(c)* from April 1979 to April 1984 and *(d)* from April 1979 to April 1985, assuming payment of the award currently offered by teachers' employers, in each case both allowing for and not allowing for incremental rises.

Sir Keith Joseph [*pursuant to his reply*, 8 July 1985, c. *352*]: Details of percentage increases in teachers' salaries in cash and real terms for the periods requested are as follows:

Per cent.

	Cash terms		*Real terms*	
	(1) Settlements	*(2) Average salaries*	*(3) Settlements*	*(4) Average salaries*
(a) from Houghton to April 1979	65	79	−18	−11
(b) from Houghton to April 1984	181	221	−15	−3
(c) from April 1979 to April 1984	70	79	4	9
(d) from April 1979 to April 1985	78	89	2	8

Notes:

1. Columns (1) and (3) give the cumulative increase in pay levels as measured by annual settlements, compounded year on year. Column (1) is in cash terms. Column (3) is adjusted to reflect changes in the RPI during the periods in questions.
2. Columns (2) and (4) give average salary increases calculated from the annual count of teachers by scales and incremental points. The figures exclude heads and deputy heads. Column (2) is in cash terms. Column (4) is adjusted to reflect RPI changes.
3. The average salary figures reflect actual changes in salary levels arising from annual pay settlements, incremental drift caused by an ageing teacher force during a time of low recruitment-falling rolls, increasing proportions of senior posts because of higher staying on rates and so on. It is not possible to separate out the effect of incremental increases for the individual teacher.
4. The base for calculating the increases incorporates the results of the Houghton report and the April 1979 pay settlement. For *(a)* and *(b)* the base incorporates the effects of a negotiated settlement of 8 per cent. from 1 April 1974 plus an additional 27 per cent. recommended by the Houghton committee taking effect from 24 May plus the further 2 per cent. which the committee's settlement was estimated to be worth.
5. In extrapolating the figures to 1985 (Section *(d)*), 5 per cent. has been taken as the settlement increase, and in addition the average salary figures assume 0·6 per cent. for salary drift.

Geriatric Medicine

Mr. MacKenzie asked the Secretary of State for Education and Science how many post-graduate students are at present studying geriatric medicine in Scottish universities.

Mr. Brooke: This information is not available.

Ethnic Minority Teachers

Mr. Key asked the Secretary of State for Education and Science how he intends to pursue the possibility of establishing acceptable arrangements for collecting and using ethnically based statistics on teachers and students in initial training.

Sir Keith Joseph: Following up our interest in increasing the supply of suitable teachers of ethnic minority origin, and an undertaking made in response to the Swann report, my right hon. Friend the Secretary of State for Wales and I have today issued a discussion paper concerning the collection of ethically based statistics on teachers and students in teacher training. It is proposed that a working group of the local authority associations, the Churches, the teachers' associations, and the Commission for Racial Equality should be established to look at the issues in more detail, concentrating initially on statistics on serving teachers. Comments from a wider audience will be welcome and will be made known to the working group. Copies of the discussion paper are being placed in the Libraries of both Houses.

Mr. Sackville asked the Secretary of State for Education and Science what consultations have taken place with the education service and the ethnic minorities on ways of increasing the supply of ethnic minority teachers.

Sir Keith Joseph: My right hon. Friend the Secretary of State for Wales and I have today followed up an undertaking made in response to the Swann report, and have issued a discussion paper concerning measures to increase the proportion of the teacher force drawn from the ethnic minorities, without any reduction in the required level of qualification. Copies of the document are being placed in the Libraries of both Houses. Ethnic minority groups, and interested parties both within and outside the education service, are being asked to submit comments by

31 October, and comments will be welcome on the same timescale from any individual or organisation not specifically consulted. Further discussions may then be required to determine the most appropriate way forward.

CHURCH COMMISSIONERS

St. Winifred's Church, Birkenhead

Mr. Frank Field asked the hon. Member for Wokingham, as representing the Church Commissioners, whether there are any paid Church of England clergy at St. Winifred's church, Birkenhead.

Sir William van Straubenzee: The Commissioners do not pay a stipend to any clergyman at St. Winifred's church, Birkenhead. They understand that the church is served by a clergy pensioner. The Commissioners provide the funds from which clergy pensions are paid.

Mr. Frank Field asked the hon. Member for Wokingham, as representing the Church Commissioners, whether the Church Commissioners have paid any funds to St. Winifred's church, Birkenhead, during the past 10 years.

Sir William van Straubenzee: It would not appear so, but there has only been a restricted time in which to consult records.

WALES

Roads

Mr. Wigley asked the Secretary of State for Wales if he will analyse, for the most recently available 12-month period, the expenditure undertaken by his Department on each of the trunk roads in Wales, analysing such spending between routine maintenance and improvement and indicating the total length in miles of each of these trunk roads.

Mr. John Stradling Thomas: In 1984-85 our Department spent £93 million on new construction and improvement of trunk roads in Wales, and £12 million on their general maintenance. An attribution of this expenditure to each trunk road could be provided only at disproportionate cost, but information about the expenditure on major trunk road improvement schemes during 1984-85 is given in table I to class XVI, vote I, of the Supply Estimates for that year. (HCP 292—XVI).

Oil Spillage (Compensation)

Mr. Wigley asked the Secretary of State for Wales if he will make funds available to maritime district councils along the Cambrian coast to compensate them for exceptional expenditure incurred as a result of recent oil spillage in the Irish Sea.

Mr. John Stradling Thomas: Compensation for all reasonable oil pollution clean-up costs related to a spillage at sea by an identified tanker is available through international regimes. Affected local authorities should submit claims to the insurers as promptly as possible. The question of Government funds to meet exceptional expenditure does not therefore arise.

School Meals and Milk

Dr. Marek asked the Secretary of State for Wales how much was spent per pupil in secondary schools in Wales on school meals and milk in the most recent year for which figures are available; and how this compares with the figure for 1978-79, at constant prices.

Mr. John Stradling Thomas: The information is not available.

TRANSPORT

Aircraft Noise

Mr. David Howell asked the Secretary of State for Transport (1) what plans he has to review the standards for assessing aircraft noise nuisance and in particular for extending the noise preferential routes beyond their present altitude limits of 4,000 ft from Heathrow and 3,000 ft from Gatwick;

(2) whether he will review the definitions of aircraft noise intrusion so at to take account of severe and continuous noise intrusion from aircraft movements above 4,000 ft.

Mr. Ridley: I can assure my right hon. Friend that the assessment of aircraft noise nuisance is kept under review. With the progressive introduction of quieter types, levels of noise disturbance created by aeroplanes have been and will continue to be reduced. Although I accept that there are differing views about the altitudes at which aircraft noise ceases to be regarded as unduly intrusive, I have no plans to extend the noise preferential routes at Heathrow or Gatwick beyond their present limits.

Aircraft Movements

Mr. David Howell asked the Secretary of State for Transport whether he will put forward proposals to the Civil Aviation Authority for variations in standard instrument depature routes so as to avoid prolonged periods of bunching of aircraft movements over specific communities.

Mr. Ridley: No. Although I appreciate that some communities experience more aircraft noise disturbance than others, I am satisfied that the present route structure represents the best balance that can be achieved by the Civil Aviation Authority in fulfilment of its various responsibilities, which include a requirement to take full account of disturbance to the public.

Mr. David Howell asked the Secretary of State for Transport what discussions he has held with the Civil Aviation Authority concerning the current routeing structure for aircraft movements at Heathrow and Gatwick; and whether, in the light of noise disturbance, he will put forward proposals for operating the structure on a rotational basis.

Mr. Ridley: My officials hold regular discussions with the Civil Aviation Authority and the National Air Traffic Services about these matters. To seek to change the present operational structure in the way that my right hon. Friend suggests would place an unacceptable capacity constraint on Heathrow and Gatwick.

Built-up Areas (Painted Lines)

Mr. Alexander asked the Secretary of State for Transport if he will consider seeking to require coloured lines to be painted in the middle of roads in built-up areas in order to indicate to drivers that they are driving in built-up areas, during hours of darkness.

Mrs. Chalker: No. Coloured lines would be less conspicuous than the present white ones and differentiation between colours would be very difficult, especially with the lighting systems in current use.

Crediton (Bypass)

Mr. Maxwell-Hyslop asked the Secretary of State for Transport what action is being taken to bypass Crediton.

Mr. Michael Spicer: This is a matter for Devon county council, which is the highway authority responsible for the A377 principal road through Crediton.

North Devon Link Road

Mr. Maxwell-Hyslop asked the Secretary of State for Transport when he expects construction of the next section of the North Devon link road to commence.

Mr. Michael Spicer: As with all road schemes, progress is dependent on completion of the statutory processes. We will announce start dates for each of the remaining stages as soon as possible.

Driving Test

Mr. Michael Morris asked the Secretary of State for Transport what is the average waiting time for a car driving test in England; and how this compares with Northampton.

Mrs. Chalker: The waiting time for a car driving test in Northampton is about 17 weeks, which is one week less than the average waiting time for England and Wales.

London Transport (Fraud)

Mr. Tony Banks asked the Secretary of State for Transport how much was lost as a result of fraud on London Transport for 1982 and 1983 and on London Regional Transport for 1984.

Mrs. Chalker: I refer the hon. Gentleman to the answer I gave to my hon. Friend the Member for Ealing, North (Mr. Greenway) on 13 May, at column 1. I understand the details for 1983 were published in the London Transport Executive's annual report for that year.

CIVIL SERVICE

Government Statistical Service

Mr. Sayeed asked the Minister for the Civil Service what further progress has been made on increasing the value for money provided by the Government statistical service along the lines indicated by the White Paper, "Government Statistical Services" (Cmnd. 8236).

Mr. Hayhoe: During the 1984-85 financial year further annual savings of nearly £2 million have been found and the target of £26·5 million given in the White Paper has now been exceeded by some £5 million. That is an excellent achievement. The statistical service continues to seek economies and improve on value for money targets although these are becoming harder to achieve. Future improvements are likely to depend increasingly upon exploitation of computers and some further investment in this area will probably be required.

ENERGY

Electricity Slot Meters

Mr. Andrew F. Bennett asked the Secretary of State for Energy whether he will have discussions with the North Western electricity board about the circumstances of the provision of slot meters to households, and how this relates to his Department's code of practice on payment of electricity bills.

Mr. Goodlad: I have no plans to do so. The industry's voluntary code of practice for domestic customers provides for the installation of slot meters, where it is safe and practicable, as one means of paying outstanding debt within a reasonable period.

Coal Industry, Leicestershire

Mr. Janner asked the Secretary of State for Energy (1) pursuant to his reply to the hon. and learned Member for Leicester, West on 24 June, *Official Report*, column *630*, upon what evidence he bases his statement that the numbers employed in the coal industry in the Leicestershire area will increase by the end of the century;

(2) pursuant to his reply to the hon. and learned Member for Leicester, West on 24 June, *Official Report*, column *630*, how many and which pits he expects to be in production in the Leicestershire area by the end of the century; how much coal he expects each of those pits to be producing; and how many coalminers he expects to be employed in each of those pits;

(3) pursuant to his reply to the hon. and learned Member for Leicester, West on 24 June, *Official Report*, column *630*, how many pits are in operation now; how many miners are now employed in each of those pits; which of those pits he expects to be in operation by the end of the century; and how many coalminers he expects to be employed in each of those pits by the end of the century;

(4) pursuant to his reply to the hon. and learned Member for Leicester, West on 24 June, *Official Report*, column *630*, how many miners are now employed on work on the Asfordby project; how many he expects to be employed on that mine by the end of the years 1990, 1992, 1995, 1998 and 2000, respectively; and how many and what percentage of such miners he expects to be from the Leicestershire area;

(5) pursuant to his reply to the hon. and learned Member for Leicester, West on 24 June, *Official Report*, column *630*, how many miners he expects each of the pits in the Vale of Belvoir and north-west Leicestershire coalfield apart from Asfordby to be employing; and how many and what percentage he expects to be from the Leicestershire area at the end of the century.

Mr. David Hunt: As I pointed out to the hon. Gentleman on 24 June, there will be a major boost to the numbers employed in the coal industry in the south midlands area when such major prospects as are planned at Cadley Mill, Daw Hill and Coventry together with the new prospects at Asfordby and south Warwickshire come

to fruition. I also anticipate growth in the opencast sector. Detailed questions on numbers of pits, their personnel and production are a matter for the National Coal Board. There is a tremendous future for the coal industry, particularly in the south midlands if it can cut costs to take advantage of the market opportunities which will be there.

ATTORNEY-GENERAL

Doctors and Hospitals (Litigation Costs)

Rev. Martin Smyth asked the Attorney-General what was the cost to the legal aid fund of providing legal advice regarding, and taking court action against, hospital doctors and hospitals in Northern Ireland during each of the financial years 1980-81, 1981-82, 1982-83, 1983-84 and 1984-85.

The Attorney-General: Information in the form requested is not readily available and could be provided only at disproportionate cost.

Rev. Martin Smyth asked the Attorney-General how many legal aid certificates were issued during each of the financial years from 1980-81 to 1984-85 with a view to litigation against hospitals or hospital doctors working in Northern Ireland.

The Attorney-General: Statistics in the form requested are not readily available and could be provided only at disproportionate cost. The following table shows the figures for certificates issued in the five-year period in cases alleging "medical negligence" which incorporates all medical causes of action, including those arising in hospitals.

	Number
1980-81	54
1981-82	63
1982-83	95
1983-84	149
1984-85	144

A random check of a small sample of these cases indicates that approximately 80 per cent. of cases in this category relate to causes of action against hospitals or hospital doctors.

Rev. Martin Smyth asked the Attorney-General in how many cases in which legal aid certificates were issued in the five years 1980 to 1985, for proposed actions against hospitals or hospital doctors in Northern Ireland, court action actually followed; of those, in how many cases damages were awarded against the defendant; and how many cases were dismissed.

The Attorney-General: Statistics in the precise form requested are not readily available and could be provided only at disproportionate cost. However, information on "medical negligence" in general is available and is shown in the following table. These results are compiled from the number of cases concluded in each year and not from the number of legal aid certificates issued.

	1980-81	*1981-82*	*1982-83*	*1983-84*	*1984-85*
Total cases concluded	20	22	26	34	46
Judgment for plaintif (with charges)	—	—	—	1	2
Judgment against plaintiff	1	—	—	1	—
Settled	6	5	5	23	17
Withdrawn	13	17	21	9	27

Legal Aid Scheme

Rev. Martin Smyth asked the Attorney-General what was the cost of advertising the legal aid scheme by television, public press and bill posting during each of the financial years 1980-81, 1981-82, 1982-83, 1983-84 and 1984-85 in *(a)* Northern Ireland, *(b)* Scotland and *(c)* England and Wales.

The Attorney-General: No records were kept of the cost of advertising the legal aid scheme in Northern Ireland prior to 1 April 1982, when the Lord Chancellor assumed responsibility. The cost of advertising the scheme in the financial years 1982-83, 1983-84 and 1984-85 has been as follows:

	£
1982-83	45,250
1983-84	36,420
1984-85	47,930

These costs include not only the cost of advertising the scheme in the ways mentioned in the question but also the production and supply of leaflets and posters and the publication of the legal aid solicitors list.

The provision of legal aid in Scotland is the responsibility of my right hon. Friend the Secretary of State for Scotland. No public money has been used to advertise the legal aid schemes in Scotland or in England and Wales in the ways mentioned. However, a leaflet on legal advice and assistance in Scotland is available, at a cost to public funds of around £1,500 in each of the years to which the question relates. In respect of the scheme in England and Wales, various leaflets and posters, and a short film, have been produced; and information is available on Prestel. The cost to public funds of advertising the scheme in England and Wales in these ways for the years in question was as follows:

	£
1980-81	16,000
1981-82	21,500
1982-83	28,500
1983-84	29,500
1984-85	64,500

Clifford *v.* Eastern Health and Social Services Board

Rev. Martin Smyth asked the Attorney-General what was the cost to public funds of the case of Clifford *v.* Eastern health and social services board, otherwise Clifford *v.* Nicholl heard at court in Belfast on 22 April before His Honour Judge Andrew Donaldson, QC.

The Attorney-General: The estimated cost (which is not precise) with regard to areas of expenditure for which

the Lord Chancellor is responsible is approximately £160. This does not include legal aid, which has not yet been assessed.

I understand that the cost to the Eastern Health and Social Services Board was £262.

Wrestling Competitions

Mr. Bright asked the Attorney-General in how many cases during the last year the Director of Public Prosecutions has considered the institution of criminal proceedings arising out of chain wrestling competitions; what are the principles taken into account by the Director of Public Prosecutions in reaching decisions on such cases; and whether any such proceedings have been instituted.

The Attorney-General: The Director of Public Prosecutions has considered one case arising out of a "chain wrestling" competition. Chain wrestling competitions differ from the traditional sport in that a substantial chain links the two wrestlers together. A combatant who finds himself in a position to use the chain as a weapon is permitted to do so. As to the relevant legal principles, the Court of Appeal has ruled that it is not in the public interest that people should try to cause each other actual bodily harm for no reason. Further, it is not a defence to a charge of assault arising out of a fight, whether occurring in public or in private, that the victim consented to fight. It is an assault if actual bodily harm is intended and/or caused. But the Court of Appeal emphasised that its ruling was not intended to cast doubt on the accepted legality of properly conducted games and sports.

It is likely that the courts would regard the introduction of a chain as a potential weapon as distinguishing such a competition from lawful sport. Any injuries which might be occasioned by its use would thus be distinguished from those which do sometimes occur in the normal course of robust but lawful sporting competitions. Their infliction might constitute assault or a more serious offence of unlawful wounding or grievous bodily harm depending upon the nature and degree of the injury.

In the case considered by the Director of Public Prosecutions the evidence was insufficient to establish that actual harm had been occasioned by the use of the chain.

TRADE AND INDUSTRY

Short Brothers

20. **Mr. Robert Atkins** asked the Secretary of State for Trade and Industry what steps he is taking to ensure that Short Brothers is able to export its products freely to the Philippines.

Mr. Channon: The Government are making every effort to ensure that Shorts, in common with other United Kingdom companies, can export its products successfully to the Philippines.

Research Vessels

Mr. Deakins asked the Secretary of State for Trade and Industry if Her Majesty's Government will introduce measures to promote the continuance of a body of expertise in building research vessels in one British shipyard.

Mr. Butcher: We have no plans to do so. This is a matter for the commercial judgment of the British shipbuilding industry.

Theatrical Street Productions Ltd.

Mr. Gould asked the Secretary of State for Trade and Industry what action has been taken by his Department in relation to Mr. Martin Cannon, trading as Theatrical Street Productions Ltd., to ensure compliance with the Fair Trading Act and other legislation.

Mr. Fletcher: Theatrical Street Productions Ltd. was wound up compulsorily in the High Court on 10 December 1984 and its affairs are being investigated by the Official Receiver in conjunction with other authorities.

Motor Vehicles

Mr. Marlow asked the Secretary of State for Trade and Industry if he will list his powers to require car manufacturers to state the British value added percentage in each marque in their product range.

Mr. Fletcher: I shall reply to my hon. Friend as soon as possible.

Mr. Teddy Taylor asked the Secretary of State for Trade and Industry what was the value of motor car, lorry and bus exports to the European Economic Community, respectively, including Portugal and Spain, over the most recent 12-month period for which figures are available; what were the comparable figures in each of the previous five years; and what were the comparable figures for imports of cars, lorries and buses, respectively, from the European Economic Community.

Mr. Channon: I shall reply to my hon. Friend as soon as possible.

Shipbuilding (Korea)

Mr. Speller asked the Secretary of State for Trade and Industry if he will take steps to seek to stop the Korean Government-subsidised tenders on United Kingdom shipbuilding contracts; and if he will also seek the withdrawal of the Trinity House lighthouse tender contract.

Mr. Butcher: Through our active participation in the dialogue between the OECD working party on shipbuilding and the Government of the Republic of Korea we continue to press for pricing arrangements which can best ensure the health of the United Kingdom shipbuilding industry with the long term aim of the phasing out of all subsidies worldwide. The decision to place the lighthouse tender contract in Korea was a matter for Trinity House and no public money was involved. The Government concluded that the level of subsidy that would have been necessary to keep the order in the United Kingdom could not have been justified.

Excavators (Japan)

Mr. Teddy Taylor asked the Secretary of State for Trade and Industry why the EEC Council of Ministers has imposed anti-dumping duties in a range up to 32 per cent. against imports of hydraulic excavators from Japan; and if he will make a statement.

Mr. Channon: Anti-dumping duties ranging from 2·9 per cent to 31·9 per cent. were imposed with effect from

7 July on imports of hydraulic excavators manufactured by a number of Japanese companies. The relevant Council regulation (No. 1877/85 of 4 July) represents the conclusion of an investigation conducted by the Commission following complaints by the Community hydraulic excavator industry. The investigation found that Japanese excavators were being dumped in the Community market and that this dumping was causing material injury. The anti-dumping duties will remain in force for five years or until reviewed.

EC (Anti-dumping Measures)

Mr. Teddy Taylor asked the Secretary of State for Trade and Industry on how many occasions anti-dumping measures have been enforced by the EEC over the past five years in cases when the exporting nation has made proposals to the Commission for increased prices to remove the extent of the alleged dumping.

Mr. Channon: A definitive remedy in cases where foreign manufacturers are found to have dumped their products in the European Community to the detriment of Community industry can take the form of an anti-dumping duty or the acceptance of a price undertaking.

The discussions between the Commission and a foreign manufacturer following the offer of a price undertaking are confidential: some offers are rejected. In approximately three quarters of anti-dumping cases over the past five years, price undertakings have been accepted as the definitive remedy.

Recycling

Mr. Tony Banks asked the Secretary of State for Trade and Industry what have been the results to date of the contact between the Minister responsible for recycling and the United Kingdom Reclamation Council.

Mr. Trippier [*pursuant to his reply*, 9 July 1985, c. *394*]: When I met representatives of the United Kingdom Reclamation Council on 12 March, they indicated that there were areas in which the council would be able to suggest some recycling initiatives. I have asked for another meeting before the summer recess to discuss what the council has decided to do and possible ways in which the Government might help.

Mr. Tony Banks asked the Secretary of State for Trade and Industry if he will make a statement about current Government policy on waste recycling and whether he intends to make any changes.

Mr. Trippier [*pursuant to his reply*, 9 July 1985, c. *394*]: I refer the hon. Member to the second special report from the Trade and Industry Committee, Session 1984-85, where he will find the Government's response to the Committee's report "The Wealth of Waste."

At an open day at the Warren Spring laboratory on 10 July I announced my intention to establish a unit at the laboratory to provide technical support, including the preparation of statistical and economic data and state of the art reports, to private and public sector organisations in the recycling field. The unit would cost around £200,000 per annum, and I am looking to industry for a 50 per cent. contribution. I am also planning a campaign to raise public awareness of the potential for reclamation and recycling.

EMPLOYMENT

Training

Mr. Andrew F. Bennett asked the Secretary of State for Employment how many people are now on each of the following schemes: full-time job release, part-time job release, young workers scheme, job splitting scheme, community programme, community industry, enterprise allowance scheme, youth training scheme and training opportunities scheme.

Mr. Peter Morrison: The information requested is estimated as follows, for 31 May:

	Numbers
Community programme	134,000
Enterprise allowance scheme	47,000
Job splitting scheme	240
Job release schemes	64,000
Young workers scheme	52,000
Community industry	8,000
Training in industry	1,500
Youth training scheme	280,000
Training opportunities scheme	27,820

Registered Unemployed Persons

Mr. Baldrey asked the Secretary of State for Employment whether the names and addresses of those who are registered as unemployed at unemployment benefit offices are available to managers of local jobcentres.

Mr. Alan Clark: Since October 1982 and the introduction of a Rayner recommendation that registration for employment at a jobcentre for adults be voluntary, the names and addresses of those signing at unemployment benefit offices have not been automatically passed to jobcentres. This information has, however, been made available on request.

Unemployed young people under 18 still have to register for work, either at a jobcentre or careers office, as one of the conditions for receiving benefit.

Petrol (Price Increases)

Mr. Latham asked the Secretary of State for Employment whether he will estimate the effect on the retail prices index of the increases in the price of petrol during each month in the current year.

Mr. Alan Clark: In March and April, increases in the price of petrol and oil added, respectively, 0·2 and 0·1 per cent. to the level of the retail prices index. There were negligible effects in other months.

PRIME MINISTER

Falkland Islands (Fishing)

Q38. **Mr. Dalyell** asked the Prime Minister whether the Soviet Government have approached the United Kingdom with any request for fishing licences to operate in the waters around the Falkland Islands and about their approach to the Argentine Government on the same subject.

The Prime Minister: No.

South Derbyshire

Q58. **Mrs. Currie** asked the Prime Minister if she has any plans to visit South Derbyshire.

The Prime Minister: I have at present no plans to do so.

Anglo-Irish Council

Q129. **Mr. Randall** asked the Prime Minister if she proposes to increase the secretariat of the Anglo-Irish Council.

The Prime Minister: I have at present no plans to do so.

Engagements

Mr. Hancock asked the Prime Minister if she will list her official engagements for Thursday 11 July.

Mr. Peter Bruinvels asked the Prime Minister if she will list her official engagements for Thursday 11 July.

Mr. Greenway asked the Prime Minister if she will list her official engagements for Thursday 11 July.

The Prime Minister: This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today.

Mr. Dalyell asked the Prime Minister if she will state her official engagements for Monday 8 July.

The Prime Minister: In the morning I had meetings with ministerial colleagues and others including one with the Chiefs of Defence Staff. In the afternoon I had further meetings, including one with the Prime Minister of Trinidad and Tobago.

National Health Service

Mr. Hickmet asked the Prime Minister what improvements have been made to the National Health Service since May 1979; and how the standard of patient care provided in National Health Service hospitals compares with that which existed prior to May 1979.

The Prime Minister: The National Health Service is now treating more patients a year than ever before. This has been achieved by spending more money and taking steps to see that Health Service money is used to better effect. We are also developing a more modern health service better fitted to care for and prevent sickness and respond to changing demands.

We believe that the National Health Service's aim is to meet the needs and convenience of public and patients and we have been pleased by the recorded satisfaction of the public with the National Health Service. A recent opinion poll has shown that over three-quarters of the public thought the service "very good". The increased level of service provided is shown by the facts that, comparing 1984 with 1978:

over ¾ million more in-patient cases were treated;
over ¼ million more day cases were treated;
there were over 3 million extra outpatient attendances;
health visitors and home nurses visited or treated ¾ million more people, ¼ million of them elderly;
over 1 million more children aged five and under attended child health clinics;
the number of coronary artery by-pass grafts rose from 3,191 in 1978 to 9,443 in 1984, an increase of nearly 200 per cent.;
there were over 4½ million more courses of dental treatment;
the number of new renal patients accepted for treatment has increased by 60 per cent. The number of patients being treated for end stage renal failure rose from 5,390 to 9,330, an increase of 73 per cent. For most renal patients, the preferred method of treatment is by kidney transplant; the Government launched a campaign, in February 1984, to increase the number of organs becoming available for transplant and to provide the donor card scheme. During the following 12 months, kidney transplants rose by 35 per cent., from 1,089 to 1,470;
latest figures (September 1984) show that the waiting list for hospital treatment has been reduced after rising by almost 250,000 between 1974-1979. It would have been lower still but for the 1982 industrial action. This downward trend has been achieved at a time when there are increasing demands for treatment and when the Health Service is treating more patients than ever before;
it must also be remembered that half of all admissions to hospitals are immediate and many of those on the waiting lists will have firm dates for planned admissions.

This improved performance has been supported by record spending on the health service. Total spending has more than doubled from £7¾ billion in 1978-79 to a projected £17½ billion in 1985-86. By 1984-85, expenditure has increased by more than 20 per cent. measured against general inflation. These extra resources have been more than enough to meet the growth in demand resulting from the increasing numbers of elderly people. Capital spending has increased by over 20 per cent., in real terms, following a cut of one-third, under the previous administration. As a result 52 major hospital schemes costing over £5 million each, have been started since 1979. One hundred and fifty eight further projects are currently being designed or are under construction. Health authorities are planning further development worth over £123 million.

We have provided record levels of financial support but we are also succeeding in achieving better value for money spent in the health service. This has been the key to enabling the Service to treat more patients than ever before. A first step was to simplify the structure of the health service by abolishing one tier-area health authorities. From 1 April 1985, independent family practitioner committees directly accountable to the Secretary of State for Social Services were established. Other steps have been taken or are in train to achieve clearer accountability and better management within the health service. These include:

annual accountability reviews by Ministers of the performance of regional health authorities at which objectives are set and RHAs held to account for their achievements. The review process has now been extended to district health authorities and their units;
the appointment — as recommended by the (Griffiths) management inquiry report on National Health Service management which we commissioned — of general managers, with personal responsibility for performance, at regional and district level and in hospitals and other units; and the revision of management structures to complement this;
management has been aided by a series of initiatives to enable National Health Service authorities to scrutinise and improve their own performance. This includes Rayner-style efficiency scrutinies on particular aspects of health service activity;
the development of performance indicators to enable health authorities to compare their service with those provided by other authorities;
a major review of National Health Service information requirements and systems (the Körner review): health authorities are now implementing the results;
improved audit;
the development of management budgeting, involving doctors, to improve resource usage and control;
a report on the disposal of under-used and surplus land and

buildings, following which health authorities are re-examining their property holdings to free resources for patient care;

competitive tendering for hospital support services to test their cost-effectiveness: significant and growing savings (already some £13 million) are being realised for patient care;

the introduction of health authority cost improvement programmes: health authorities planned to make cost improvements valued at £100 million in 1984-85, and are planning further improvements worth £150 million for 1985-86;

better arrangements for the planning and control of manpower, so that the proportion of staff providing direct patient care (eg doctors and nurses) has continued to rise. By September 1983 there were over 5,000 more hospital doctors and dentists and nearly 57,000 more nurses and midwives than in September 1978.

These improvements in management and efficiency are directed at not simply more treatment for patients but also a better quality of service. This is reflected not only in developments in acute services mentioned above and advances in new forms of diagnosis and treatment (e.g. previously untreatable eye conditions which now make use of laser techniques) but also in progress made towards the development of the priority services for the elderly, mentally ill and mentally handicapped people.

In addition, we have been making real achievements in the prevention of health and social problems. We have seen a reduction of 33 per cent. in perinatal mortality between 1979 and 1983; reductions in cigarette smoking; the development of urgent plans by health authorities to tackle drug misuse; new campaigns on rubella immunisation, and measures to combat glue sniffing and drug and alcohol misuse.

In the field of primary care opticians' unjustified monopoly in the dispensing of glasses has been ended. The drug bill has been reduced by a selected list of prescribable medicines in certain categories and savings are already being used to improve other parts of the NHS. In 1984 there were over three thousand more family doctors and nearly 2·5 thousand more dentists than in 1978-79. The average family doctor's patient list size had reduced from 2,253 in 1978 to 2,068 in 1983.

We have welcomed the development and expansion of the private sector of health care. The compulsory phasing out of pay beds from National Health Service hospitals has been ended and we are working to encourage closer co-operation between private hospitals and the National Health Service for the benefit of patients. About 4·5 million people now choose to cover themselves with private medical insurance, providing a useful supplement to the total sum of health care, and relieving pressure on the National Health Service.

These massive improvements in the volume and standard of care provided by the National Health Service have not been achieved by the Government alone. We have taken steps which were necessary to enable those who work in the service to raise its standards of performance. I would like to pay tribute to the dedication and hard work of the overwhelming majority of all types and grades of staff in the Service, doctors and nurses, administrators and treasurers, cleaners and porters, who serve the patients so well. We have provided more finance, clearer planning and decision making and improved management to expand the service that their efforts provide.

Commercial Relationship

Dr. McDonald asked the Prime Minister if she will move to get up a tribunal of inquiry under the Tribunals of Inquiry (Evidence) Act 1921 to inquire into the commercial relationship between Johnson Matthey Bankers and the Gomba-related companies; and if she will make a statement.

The Prime Minister: I see no purpose in the establishment of such an inquiry.

Fontainebleau Agreement

Mr. Marlow asked the Prime Minister in what way *(a)* the Fontainebleau agreement and *(b)* the United Kingdom European Economic Community rebate are dependent on the outcome of the International Conference established by majority vote at Milan.

The Prime Minister: No part of the Own Resources Decision which embodies the Fontainebleau agreement on the future financing of the Community, including the arrangements for the United Kingdom's abatement, is dependent on the outcome of the intergovernmental conference established by the Milan European Council.

Terrorism

Mr. Terlezki asked the Prime Minister if, during her discussions with the President of the United States of America, the option of an international news black-out on terrorist activities was discussed; and if she will make a statement.

The Prime Minister: The question of media handling of terrorist incidents in the United Kingdom is under consideration by the Home Secretary. I have not yet discussed the question of international handling of reporting about terrorist incidents with President Reagan but would welcome the opportunity to do so, and indeed believe the topic merits wider international discussion.

Petrol Prices

Mr. Latham asked the Prime Minister when she next expects to meet representatives of the oil companies to discuss the effect of petrol prices on the economy.

The Prime Minister: I do not expect to meet the oil companies for this purpose.

OVERSEAS DEVELOPMENT

Africa (Famine Relief)

Mr. Teddy Taylor asked the Secretary of State for Foreign and Commonwealth Affairs if he will publish in the *Official Report* that part of the Dublin summit communiqué or decision which related to the pledge to provide 1·2 million tonnes of famine relief for Africa; and whether the relief concerned was designed to be in addition to the aid provided bilaterally by individual member states.

Mr. Raison: The full conclusions of the European Council of 3-4 December 1984 are available in the Library of the House. The relevant extract is as follows:

"In the face of the serious difficulties currently being experienced by many countries of Africa, especially those, like

Ethiopia or the Sahel countries, which are suffering the effects of an unprecedented drought and the ravages of malnutrition and famine, the European Council stresses the urgency of taking concerted international action.

The European Council believes that the total to be provided by the Community and its member states between now and the next harvest should be 1·2 million tonnes.

The Commission, after consultation with member states to establish the amount of grain that will be provided by member states, will make a proposal to the Council with respect to any additional Community effort that may be needed to attain the figure of 1·2 million tonnes and the European Council invites the Council of Ministers to take any necessary decisions on the basis of such a Commission proposal in order to secure the achievement of the 1·2 million total. The European Council appeals to other donor countries to match this effort by the Community and its member states in order that the total need of those states, currently estimated at 2 million tonnes, will be met."

As my right hon. Friend the Prime Minister told the House on 5 December 1984, at column 352, it was the intention of the European Council that 1·2 million tonnes of cereals should be provided by the Community and member states together.

Falkland Islands Development Corporation

Mr. Tony Banks asked the Secretary of State for Foreign and Commonwealth Affairs how many Falkland Islands-based firms, which do not have outside ownership, have received grants or loans from the Falkland Islands Development Corporation.

Mr. Raison: Forty-five.

Mr. Tony Banks asked the Secretary of State for Foreign and Commonwealth Affairs whether the minutes and agendas of the board of the Falkland Islands Development Corporation are available to the public.

Mr. Raison: No. But an annual report will be produced and will be available to the public. The first should be published at the end of July.

Mr. Tony Banks asked the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his reply of 14 June, *Official Report*, column *569*, if he will list the 54 companies which have received assistance from the Falkland Islands Development Corporation.

Mr. Raison: A total of 48 firms or individuals have received assistance from the Falkland Islands Development Corporation, not 54 as stated in my reply of 14 June, at column *569*. I regret this discrepancy, which arises from the fact that a few received assistance over more than one project and were double counted previously. For reasons of commercial confidentiality, the corporation does not disclose information about assistance it has given without the prior consent of the firm or individual concerned.

Africa (Food Aid Commitment)

Mr. Teddy Taylor asked the Secretary of State for Foreign and Commonwealth Affairs what further information emerged from the EEC co-ordination meeting on 8 July in Brussels regarding the actual amount of food aid sent to the drought stricken nations of northern and east Africa in pursuance of the food aid commitment made at the Dublin summit.

Mr. Raison: The European Commission reported that 43 per cent. of the 1·2 million tonnes of cereals or cereal equivalent pledged at the European Council in December 1984 had been delivered to the African countries most severely affected by drought, and that a further 34 per cent. was now being mobilised.

The following information was provided on deliveries to each of the countries of the Sahel and East Africa:

	Tonnes of cereals or cereal equivalent		
	Community	*Member States*	*Total*
Ethiopia	81,500	*65,000	146,500
Sudan	85,500	82,500	168,000
Chad	*20,000	30,000	50,000
Mali	*28,500	12,000	40,500
Mauritania	—	6,200	6,200
Niger	29,500	32,500	62,000

* Figures are lower than those given to my hon. Friend the Member for Hertford and Stortford (Mr. Wells) on 6 June, at columns *198-99*, or to my hon. Friend the Member for Southend, East (Mr. Taylor) on 5 July. This reflects previous over-reporting of deliveries effected.

HOME DEPARTMENT

Police (Staff Levels)

Mr. Cohen asked the Secretary of State for the Home Department what were the staff levels for each year since 1979 in the police service nationally.

Mr. Giles Shaw: The information for England and Wales is as follows:

At 30 June	*Police officers*	*Full-time civilian staff*	*Part-time civilian staff*	*Total manpower (including part-time civilians on a 2 for 1 basis)*
1979	112,262	31,193	8,064	147,487
1980	115,353	32,481	8,254	151,961
1981	118,718	33,709	8,315	156,585
1982	120,370	33,806	8,049	158,201
1983	121,158	34,055	7,851	159,139
1984	120,987	34,778	7,601	159,566

Sentenced Persons (Transfers)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department how many foreign prisoners serving sentences in the United Kingdom on the most recent convenient date would be eligible for transfer from the United Kingdom under the Council of Europe convention on the transfer of sentenced persons; and from which countries they originate.

Mr. Mellor: The convention comes into force in relation to the United Kingdom on 1 August 1985; by that date the convention will also apply to France, the United States, Sweden and Spain. In addition, the convention comes into force in relation to Canada on 1 September. On 30 April this year the number of prisoners serving sentences in England and Wales who gave their nationality as that of one of these countries, and who were then eligible for repatriation under the terms of the convention by virtue of the length of sentence still to be served, was estimated as follows:

	Number
France	8
United States of America	33
Sweden	1
Spain	15
Canada	14

I understand that no eligible prisoners appear to be serving sentences in Scotland or Northern Ireland.

Motor Cycles (Noise Levels)

Mr. Parris asked the Secretary of State for the Home Department how many prosecutions took place and how many convictions were obtained, in the five years culminating in the most recent year for which figures are available, for the use of motor cycles not silenced to a noise level within the permitted maximum.

Mr. Mellor: The available information relates to proceedings at magistrates' courts for noise caused by a faulty silencer in a motor cycle, moped or scooter and is given in the following table.

Proceedings and findings of guilt at magisrates' courts for noise caused by a faulty silencer on motorcycles, mopeds and scooters. England and Wales

Number

Year	Proceedings	Findings of guilt
1979	1,833	1,750
1980	2,448	2,338
1981	2,465	2,315
1982	2,790	2,616
1983	2,672	2,527

Cable Television

Mr. John David Taylor asked the Secretary of State for the Home Department what progress has been made by each of the companies allocated the original 11 interim franchises for cable television; and if he will make a statement.

Mr. Giles Shaw: I understand that parts of the systems in Aberdeen and Swindon are now operational and programme services are being provided to subscribers. The systems in Coventry, Croydon and Westminster are currently being installed and services are expected to start in there September. In the Clyde area, Ealing and Windsor, construction work is expected to begin shortly with a view to commencing operations towards the end of this year or early next. The remaining three areas — Merseyside, Belfast and Guildford — are in various stages of planning and may be in a position to serve their first customers in the early part of next year.

Wales (Criminal Offences)

Mr. Barry Jones asked the Secretary of State for the Home Department what were the total numbers of criminal offences in Wales in each of the years 1979 to 1984; and of these what were the total numbers of burglaries and sexual crimes for each of the five years, respectively.

Mr. Mellor: Statistics of notifiable offences recorded by the police in Wales are published annually in *Criminal Statistics, England and Wales* (Tables 2.4 and 2.6 of the volume for 1983, Cmnd. 9349). Corresponding figures for 1984 were published in Home Office *Statistical Bulletin, Issue 6/85 on 12 March 1985.*

Prison Service

Mr. Kilfedder asked the Secretary of State for the Home Department what was the total strength by grades including governors at 31 March of the prison service in England and Wales.

Mr. Mellor: The numbers, by grades, of Prison Service staff at outstations on 31 March were as follows:

	Numbers
Prison Officer Grades	18,400·5
Administration Grades	2,262·5
Industrial staff	2,143·0
Civilian Instructional Officer and Professional and Technology Officers	1,132·5
Governors	542·0
Storemen	422·0
Doctors and nurses	296·5
Chaplains	107·5
Psychologists	94·5
Cleaners	60·0
Farm Managers	31·0
Messengers	14·0
Assistant Librarian	1·0

The number of Prison Service headquarters staff on 31 March was as follows:

	Numbers
Non Industrial (mainly administration group grades)	1,482·0
Industrial (mainly based at Supply and Transport Branch Headquarters at Corby)	362·5

Mr. Kilfedder asked the Secretary of State for the Home Department what was the average basic salary excluding allowances and overtime for each grade including governors for the financial year 1984-85 in the prison service in England and Wales.

Mr. Mellor: The average basic annual salaries excluding overtime and allowances in the financial year 1984-85 were:

	£
Governor I	22,605
Governor II	20,283
Governor III	16,744
Governor IV	13,455
Assistant Governor	11,654
Assistant Governor (trainee)	11,219
Chief Officer I	10,643
Chief Officer II	9,854
Principal Officer	8,116
Senior Officer	7,245
Prison Officer	5,744
Prison Auxiliary	5,348
Night Patrol	5,673

Mr. Kilfedder asked the Secretary of State for the Home Department what was the average gross salary including allowances and overtime for each grade including governors for the financial year 1984-85 in the prison service in England and Wales.

Mr. Mellor: Governor grades received no payment in addition to their basic salaries except that they were provided with either rent-free quarters or a rent allowance of up to £2,135 a year, and those working in London were

paid London weighting of up to £1,300 a year. The average gross annual salary, including overtime payments and allowances for shift and weekend working, of each of the prison officer grades in the financial year 1984-85 was:

	£
Chief Officer I	15,079
Chief Officer II	14,190
Principal Officer	15,808
Senior Officer	14,230
Prison Officer	11,396
Prison Auxiliary	10,097
Night Patrol	9,515

In addition, prison officers in all grades other than prison auxiliary and night patrol were provided with either rent-free accommodation or a housing allowance of £1,060 a year (£1,353 for the Chief Officer grades). All grades working in the London pay area receive London weighting of up to £1,300 a year, and some officers were also paid an allowance, varying in amount, in recognition of certain specialist skills.

Mr. Kilfedder asked the Secretary of State for the Home Department what was the average overtime for each grade including governors for the financial year 1984-85 in the prison service in England and Wales.

Mr. Mellor: The average overtime worked by prison officers was 16·4 hours per officer per week. Small amounts of overtime were also worked by other grades. The pay and conditions of service of governor grades take account of the need for them to attend for whatever hours are necessary for the performance of their job. Overtime allowances are therefore inapplicable to them.

Mr. Kilfedder asked the Secretary of State for the Home Department what percentages of officers had a gross salary in excess of *(a)* £13,000, *(b)* £14,000 and *(c)* £15,000 for the financial year 1984-85 in the prison service in England and Wales.

Mr. Mellor: This information could only be obtained at a disproportionate cost.

Magistrates' Courts

Mr. Irving asked the Secretary of State for the Home Department what was the cost of the magistrates' courts system in the most recent convenient financial year.

Mr. Mellor: The provisional outturn figure for the cost of the magistrates' courts system in 1983-84 was £141,284,000.

Fines

Mr. Irving asked the Secretary of State for the Home Department how much money was received in fines paid by offenders in the most recent convenient financial year.

Mr. Mellor: The total income from fines and fees collected by magistrates' courts in England and Wales in 1984-85 was £123,642,000.

Compensation Orders

Mr. Irving asked the Secretary of State for the Home Department how much money was paid by offenders under compensation orders in the most recent convenient financial year.

Mr. Mellor: This information is not available centrally, and could not be obtained without disproportionate cost.

Dog Fighting

Mr. Hardy asked the Secretary of State for the Home Department what information he has secured in regard to the incidence of the practice of organised dog fighting, the incidence of importation of dogs in pursuit of this activity and the stealing of dogs for the purpose.

Mr. Mellor: Organised dog fighting is illegal under the Protection of Animals Act 1911. We have no present reason for believing that there is any widespread abuse, but the police are always ready to act upon evidence of such objectionable activities. We are not aware of any recent evidence to suggest that dogs are being imported or stolen for this purpose.

Prison Statistics

Mr. Peter Bruinvels asked the Secretary of State for the Home Department how many people were in prison on 9 July; how many were held in police custody on the same date; and if he will make a statement.

Mr. Mellor: On 5 July, the latest date for which figures have been collected, 47,832 persons were held in Prison Department custody, plus 96 prisoners in police cells.

Home Defence

Mr. Tony Banks asked the Secretary of State for the Home Department what grants are, or have been, paid to any police authority for home defence other than civil defence as defined in the Civil Defence Act 1984; and if he will make a statement.

Mr. Giles Shaw: None. Only the home defence activities which fall within the definition of civil defence in the Civil Defence Act 1984 are eligible for grant aid.

Police Vehicles (Excise Duty)

Mr. Tony Banks asked the Secretary of State for the Home Department (1) how many vehicles, which are not chargeable with vehicle excise duty by virtue of regulation 27 of the Road Vehicles (Registration and Licensing) Regulations 1971, are in the possession of each police authority in England and Wales:

(2) how many vehicles which are not chargeable with vehicle excise duty by virtue of regulation 27 of the Road Vehicles (Registration and Licensing) Regulations 1971, are in the possession of each local authority in England and Wales.

Mr. Giles Shaw: None of which we are aware.

Opinion Polls

Mr. Terlezki asked the Secretary of State for the Home Department if he will consider introducing legislation banning all opinion polls carried out by national press, local press, television, radio, colleges and universities 14 days before the polling day; and if he will make a statement.

Mr. Mellor: No.

Civil Defence Review

Mr. Tony Banks asked the Secretary of State for the Home Department whether he will publish the background papers to the civil defence review of 1980.

Mr. Giles Shaw: The review covered a wide range of activities many relating to the defence of this country, and it would not therefore be in the public interest to publish these papers.

Civil Defence

Mr. Tony Banks asked the Secretary of State for the Home Department if he will publish in the *Official Report* a list of those local authorities which have, since 1 December 1983, applied for grant aid for the purpose of establishing, equipping or maintaining an emergency centre or centres pursuant to regulation 4(1)(b) of the Civil Defence (General Local Authority Functions) Regulations 1983; and in each case what was *(a)* the date on which the application was made, *(b)* the proposed location of the centre or centres, *(c)* the total cost of the project as indicated in the application for grant approval, *(d)* whether the application has been approved, *(e)* if the application is still awaiting approval, why it has not yet been approved; and *(f)* if the application was disapproved for what reason.

Mr. Giles Shaw: The information requested is not readily available and could only be obtained at disproportionate cost.

Visitors

Mr. Proctor asked the Secretary of State for the Home Department, if he will list the number of visitors to the United Kingdom in each of the last five years who have been recorded on the current computer system as those whose embarkation is likely to need checking; if he will provide a breakdown by nationality of those visitors listed above; if he will list the criteria employed in determining the recording of those listed above; and if he will make a statement.

Mr. Waddington: I will reply as soon as possible.

Local Radio Services

Mr. Wheeler asked the Secretary of State for the Home Department what plans he has to widen the range of consumer choice in local radio services.

Mr. Brittan: In reply to a question from my hon. Friend the Member for Kingswood (Mr. Hayward) on 23 January, at columns *417* to *418*, I said that I hoped to make a further statement about community radio following a study of how its development could best to taken forward. I have now decided to establish an experiment to test the viability of and scope for a range of different types of community radio, set up and financed in different ways in different locations. I hope that frequencies will be available for about 20 experimental stations which could begin broadcasting early next year. In general these will be appreciably smaller in coverage than existing local radio services. The central criterion will be that they should enhance existing broadcasting arrangements and broaden the diversity of consumer choice by offering the community in question an additional service which is distinct in character, whether because of the nature of the programming, its emphasis on local or specialist interests, its appeal to specific community concerns, for other reasons. It will be open to a number of bodies to come together to apply jointly for a licence on the basis that they will use the frequency on a time share basis; and, given the limited number of frequencies, this will have advantages. I intend to make a further announcement as soon as possible setting out the locations for the experimental community radio stations, and outlining the application procedure for prospective licensees. In selecting the successful applicants, I hope to have the benefit of advice from a panel of advisers.

As outlined in my earlier statement, however, the development of community radio raises a number of important broadcasting policy issues, and may in addition have implications for our existing local radio services. I have therefore decided that it would be right for these matters to be the subject of wider consultations, and I propose to publish a Green Paper in summer 1986 identifying the issues, outlining a range of possible responses, and inviting comments on them. When the Green Paper is published the experimental stations should have been operating for some months, and that experience should help inform consideration of the issues outlined in the Green Paper.

Existing local radio services normally broadcast the same programmes on medium wave and VHF frequencies. I have from time to time, however, approved ad hoc requests from the broadcasting authorities for particular stations to broadcast separate programmes on the two frequencies for a temporary period in order to meet particular local needs or circumstances. Stations have thus been able, for example, to provide a special emergency information service during periods of severe weather, to provide commentary on sporting events, and to help with charity appeals, while maintaining their normal output on the other frequency. Both the IBA and the BBC have recently put to me proposals for experiments in split-frequency broadcasting over a longer period. The IBA have asked that six independent local radio stations (Piccadilly Radio, Leicester Sound, Marcher Sound, Viking Radio, Wiltshire Radio and Capital Radio) should be permitted, as and when appropriate, to broadcast seperate programmes on their two frequencies for up to 10 hours per week. The purposes to which the additional service would be devoted include classical music concerts, ethnic programming, sporting commentaries and specialist music programmes. The BBC have sought approval to Radio Nottingham and Leicester broadcasting Asian programmes for a few hours a week on one frequency while carrying their normal services on the other.

I have decided to approve these proposals for an experimental period of one year. Arrangements have been made for research, including audience research, into the experiment. At its conclusion, I propose to undertaken a careful assessment of the practical and other implications of split-frequency broadcasting. I shall continue to be prepared to consider ad hoc requests for particular stations to undertake split-frequency broadcasts of short duration in the light of exceptional local needs or circumstances.

Fire Service (Discipline)

Mr. Robert Atkins asked the Secretary of State for the Home Department whether he proposes to issue guidance

to the fire service on the procedures to be followed under the Fire Services (Discipline) Regulations 1985 (S.I., 1985, No. 930).

Mr. Brittan: I have today placed in the Library a copy of the guidance to be issued to chief fire officers. This guidance has been the subject of consultation with both fire authorities and representative bodies in the fire service, and I formally consulted both national joint councils over its terms when I consulted them over the draft regulations under section 17 of the Fire Services Act 1947. The guidance represents the agreed procedure for handling cases under the new regulations and I am confident that it will be welcomed by all concerned as an integral part of the new discipline provisions and as the means of best achieving natural justice in disciplinary matters consistent with the needs and traditions of the fire service.

Firearms Act

Mr. Ron Davies asked the Secretary of State for the Home Department if in the light of recent disclosures of the contents of the report of Sir John McKay's working party on the administration of the Firearms Act 1968 he will now place a copy of the report in the Library; and if he will make a statement.

Mr. Giles Shaw [*pursuant to his reply*, 5 June 1985, c. *159*]: It would be inappropriate to do so. The report of Sir John McKay's working party on the control of firearms, prepared in 1972, was an internal document. Its main conclusions and recommendations were, however, incorporated in the 1973 Green Paper, "The Control of Firearms in Great Britain" (Cmnd. 5297).

HOUSE OF COMMONS

Duchy of Lancaster (Magistracy)

Mr. Robert Sheldon asked the Lord Privy Seal (1) what approaches the Chancellor of the Duchy of Lancaster makes to political parties to obtain nominations for the magistracy within the Duchy;

(2) what action the Chancellor of the Duchy of Lancaster takes to ensure political balance in the magistracy within the Duchy;

Mr. Biffen: The Secretaries of the Chancellor of the Duchy of Lancaster's advisory committees are advised to keep in contact with the local political parties, as well as with other local organisations, to encourage them to recommend persons for appointment as magistrates. They also maintain a record of the party allegiances of magistrates where these are known at the time of appointment. Thereafter the committees do their best to ensure that new appointments improve upon the political balance of the bench as and when it becomes necessary to do so.

Accommodation

Mr. Peter Bruinvels asked the Lord Privy Seal how many hon. Members *(a)* have their own office on the parliamentary estate, *(b)* share such an office (i) with one other, (ii) with two others, (iii) with three others, (iv) with four or more others, *(c)* have some other form of accommodation, including a desk, and *(d)* have no such allocated accommodation; and if he will give the reasons for those in the last category.

Mr. Biffen: The information requested is as follows:

	Numbers
(a) Hon. Members with their own room	273
(b) Hon Members who share a room	
(i) With one other	242
(ii) With two others	30
(iii) With three others	32
(iv) With four or more others	62
(c) Hon. Members who have some other form of accommodation	Nil
(d) Hon. Members who have no allocated accommodation	11
Total	650

The reasons for those in the last category are not known. I should add, however, that all new Members are sent a leaflet by the Serjeant at Arms Department, which explains how they can apply for accommodation.

Visual Display Units

Mr. Alfred Morris asked the Lord Privy Seal, pursuant to his reply to the right hon. Member for Manchester, Wythenshawe of 26 June, *Official Report*, column *401*, if he is satisfied that people who work with visual display units in the Palace of Westminster do not face any health hazard in consequence of their work with them; if any trade union with members employed within the Palace has been consulted on this matter; and if any consideration has been given to compulsory eye tests for those employed or to be employed on visual display units.

Mr. Biffen: I have been assured that there is no current evidence that visual display units, properly used, constitute any threat to health; regular discussions about employment on VDUs are taking place with officials of trade unions representing staff of the House; it is not considered appropriate for eye tests, presently available on a voluntary basis to those staff employed or to be employed on VDUs, to be made compulsory.

Health and Safety

Mr. Alfred Morris asked the Lord Privy Seal, pursuant to his reply to the right hon. Member for Manchester, Wythenshawe of 26 June, *Official Report*, column *401*, whether the safety committee to which his reply referred also deals with health matters affecting people who work in the Palace of Westminster; and if he will name the trade unions with which formal consultation takes place on health and safety matters affecting their members employed in the Palace.

Mr. Biffen: The safety committee consults with the Department of the Environment and other relevant bodies over the elimination of any hazards reported to it. The following unions represent House of Commons staff on the safety committee:

(1) Association of First Division Civil Servants (FDA)
(2) Civil and Public Services Association (CPSA)
(3) Civil Service Union (CSU)
(4) General Municipal Boilermakers and Allied Trades Union (GMW Section) [incorporating Hotel and Catering Workers' Union (HWCU)]
(5) Institution of Professional Civil Servants (IPCS)

(6) Society of Civil and Public Servants (SCPS)

Photocopying Equipment

Mr. Cartwright asked the Lord Privy Seal whether the use of photocopying equipment supplied to the Labour party in the House is restricted to 12 copies on the basis of other photocopying machines within the House.

Mr. Biffen: The photocopying equipment provided for the official Opposition is not subject to any restrictions on its use.

Members' Secretaries

Mr. Peter Bruinvels asked the Lord Privy Seal how many secretaries accredited to hon. Members were in possession of photographic passes on 1 July; if he will publish a table showing the number of Members with nought, one, two and three, and so on accredited secretaries; what information he has as to the number of such secretaries working for one, two, three and so on hon. Members; and if he will give comparative figures for each of the past 10 years.

Mr. Biffen: The number of Palace of Westminster photo-identity passes on issue to Members' secretaries on 1 July 1985 was 612. The information requested on the number of secretaries employed per Member is as follows:

	Numbers
Members employing no secretary	192
Members employing one secretary	342
Members employing two secretaries	79
Members employing three secretaries	23
Members employing four secretaries	5
Members employing five secretaries	5
Members employing six secretaries	1
Members employing seven secretaries	0
Members employing eight secretaries	0
Members employing nine secretaries	1

It is understood that 15 secretaries work for two Members, and one secretary works for three Members. I regret that the records which are held by the authorities of the House do not enable me to give comparative figures for the other years requested.

NATIONAL FINANCE

Objects in Lieu of Tax

Mr. Faulds asked the Chancellor of the Exchequer whether, with reference to the answer to the hon. Member for Warley, East on 17 June, *Official Report*, column 28 about the review of the Vote arrangements governing the acceptance of works of art and museum objects as payment in kind of capital tax liabilities, he is now able to make a statement setting out the Government's policy in this regard.

Mr. Peter Rees: The review of the Vote arrangements governing the acceptance of assets in lieu of tax is in progress. A statement will be made in due course.

Exchange Rates

Mr. Gould asked the Chancellor of the Exchequer if he will publish in the *Official Report* a table showing for the United Kingdom, each of the EEC Six, the United States of America and Japan the change in the real exchange rate since the average of the years 1973 to 1976 based on *(a)* relative gross domestic product deflators, *(b)* relative export prices for manufactures and *(c)* relative unit labour costs; and if he will include figures showing the current nominal rates in each case compared to March 1983, the fourth quarter of 1984 and January 1985.

Mr. Ian Stewart: A variety of indices of relative costs and prices for the countries and period requested compared with other major industrial countries are available in the table "Cost and Price Comparisons for Manufacturing" in *International Financial Statistics*. Nominal effective exchange rate indices for the period requested are available in successive issues of the Bank of England *Quarterly Bulletin* (table 18).

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report* a table showing the indices of competitiveness in Table F3 of the "Monthly Review of External Trade Statistics for the United Kingdom" compared with Germany for the average of the years 1973 to 1976, the fourth quarter of 1976, the first quarter of 1979, the first quarter of 1981, the first quarter of 1973, the fourth quarter of 1984, the lastest available month in each case and his estimate of the current position, together with the appropriate nominal exchange rate aginst the deutschemark.

Mr. Channon: I have been asked to reply. The information is in the table. For the indices of import price competitiveness and relative profitability of exports (also in table F3), price information specific to UK-German trade is not readily available.

Indices of competitiveness in manufactures United Kingdom compared with Federal Republic of Germany†*

1980 = 100

	Export prices	*Producer prices*	*Unit labour costs*	*Normalised unit labour costs*	*Deutschemark per pound*
1973	74·7	73·7	66·3	72·4	6·64
1974	76·5	74·5	70·1	75·6	6·05
1975	78·5	78·2	78·1	81·5	5·45
1976	75·2	73·5	71·9	75·0	4·55
1973 1st Quarter	80·1	82·6	72·4	78·2	7·33
1976 4th Quarter	72·7	68·3	64·1	68·9	3·98
1979 1st Quarter	82·8	78·9	74·1	75·8	3·74
1981 1st Quarter	114·2	115·5	119·8	123·8	4·81
1984 4th Quarter	104·5	98·1	87·7	100·8	3·72

* All indices in US dollar terms

† ie in each case UK index divided by FRG index

Interest Rates

Mr. Latham asked the Chancellor of the Exchequer whether he will list the factors currently preventing an immediate cut in interest rates.

Mr. Ian Stewart: I refer my hon. Friend to the answer I gave him on 27 June (Vol. 81, c. 489).

Official Reserves

Mr. Fisher asked the Chancellor of the Exchequer what were the United Kingdom official reserves for the month of June in each of the last 10 financial years.

Mr. Ian Stewart: At the end of June 1985 the official reserves stood at $14,318 million. Figures for previous years are available in *Economic Trends*, Annual Supplement, 1985, pp. 143-145.

ENVIRONMENT

Local Authorities (Services)

Mrs. Rumbold asked the Secretary of State for the Environment (1) how many local authorities have put all or any of their professional services out to the private sector;

(2) how many local authorities have selected outside firms to operate the work undertaken by the former direct labour organisation as opposed to giving the in-house organisation the work;

(3) how many local authorities have put more than one service into the private sector.

Mr. Waldegrave: My Department does not collect systematic data on these subjects, but useful information may be found in the annual surveys of local authority privatisation which the *Local Government Chronicle* has published since 1983.

GLC (Press Officers)

Mr. Chapman asked the Secretary of State for the Environment how many press officers are employed by the Greater London council; and what total cost this represents to ratepayers.

Mr. Kenneth Baker: I regret that the information requested is not available centrally. This is a matter for the GLC.

Newham

Mr. Tony Banks asked the Secretary of State for the Environment what are his reasons for not having accepted the revised financial information provided by the London borough of Newham for the financial year 1982 to 1983; what differences his refusal has made on Newham's block grant entitlement; and what will be the effect on the council's 1984-85 and 1985-86 budget.

Mr. Kenneth Baker: My right hon. Friend does not consider that the revised financial return provided by the London borough of Newham gives the best information as to their outturn total expenditure for 1982-83. This revised return would reduce Newham's block grant entitlement in respect of 1982-83 by about £2½ million. What effect it would have on Newham's budget in 1984-85 and 1985-86 is a matter for the council.

Liverpool

Mr. Parry asked the Secretary of State for the Environment (1) what plans he has for emergency legislation to deal with the budget situation of the city of Liverpool;

(2) if he will meet a deputation of hon. Members from Liverpool to discuss the city's deficit budget.

Mr. Patrick Jenkin: Liverpool city council has now made a rate and declared a budget. It is for that council to live with the consequences of its decision. I have agreed to meet a deputation of hon. Members.

Mr. Parry asked the Secretary of State for the Environment if he has any plans to appoint a commissioner to run the affairs of the city of Liverpool.

Mr. Patrick Jenkin: I have no powers to do so.

London Docklands Development Corporation

Mr. Tony Banks asked the Secretary of State for the Environment (1) what arrangements exist for consultation between the London Docklands Development Corporation and the population in the London docklands area; and if he will make a statement;

(2) what efforts are made by the London Docklands Development Corporation to let the Docklands Forum know what its plans are; and if he will make a statement.

Sir George Young: I will answer these questions shortly.

Mr. Tony Banks asked the Secretary of State for the Environment if he will undertake an investigation into ways and means to reduce the London Docklands Development Corporation's administrative costs; and if he will make a statement.

Sir George Young: This subject will be covered in today's debate on the environment committee's report on my Department's main Estimates 1985-86 and I do not propose to make any further statement.

Major Precepting Authorities

Mr. Tony Banks asked the Secretary of State for the Environment what is meant by a major precepting authority, as referred to in his Department's press notice No. 276; and if he will list those he intends to have included on London borough rate demands for 1986-87.

Mr. Kenneth Baker: Major precepting authority means any county council, the receiver of the metropolitan police, and any new authority with power to issue precepts which it is proposed to establish by clause 67 of the Local Government Bill. In the case of a London borough it is intended that the rate demands will show the amounts in respect of the borough rate, the precepts of the receiver of the metropolitan police and of any new authority with the power to issue precepts as established by the Local Government Bill, including the Inner London Education Authority, and of any levy payable in respect of the residuary body established under the Bill or in respect of London regional transport.

Capital Works (Grants)

Mr. Tony Banks asked the Secretary of State for the Environment (1) what grants were authorised to be paid by

his Department for capital works carried out under the Civil Defence (Water Supplies) Regulations 1949 in each of the financial years 1978-79 to 1984-85, inclusive; to which authorities; and for what purposes;

(2) what grants were authorised to be paid by his Department for capital works carried out under the Civil Defence (Sewerage) Regulations 1949 in each of the financial years 1978-79 to 1984-85, inclusive; to which authorities; and for what purposes.

Mr. Macfarlane: Grant authorised by my Department since 1978-79 for capital works relating to water authority civil defence functions has been for structural and accommodation works for new control centres as follows:

Water Authority	*Financial Year*	*Amount of Grant (75 per cent. of cost)* £
Yorkshire	1983-84	4,066
	1984-85	33,434
Anglian	1983-84	15,000
	1984-85	75,000
Wessex	1983-84	9,576
	TOTAL	137,076

FOREIGN AND COMMONWEALTH AFFAIRS

Chile

Mr. Terry Fields asked the Secretary of State for Foreign and Commonwealth Affairs what mechanisms and procedures the Government have to evaluate the effectiveness of their policy on human rights in Chile.

Mr. Renton: Her Majesty's embassy in Santiago maintains contact with a wide variety of opinion in Chile and reports regularly on human rights issues. As I indicated to the House on 26 June, at column 407, we wish to encourage the process of restoring democratic freedoms in Chile.

Argentina

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs, pursuant to the answer to the hon. Member for Derbyshire, West (Mr. Parris) on 8 July, what evidence he has for stating that commercial and economic relations offer a natural opportunity for better relations with Argentina in relation to the Falkland Islands.

Mr. Renton: The answer referred to by the hon. Member placed our action on imports from Argentina in the general context of restoring more normal relations between Britain and Argentina.

As my right hon. and learned Friend told the House on 14 March, at column 498, both countries have a clear interest in improved trade. Both the Argentine Government and the IMF have stressed the need for Argentina to increase her exports. The removal of restrictions on trade would help to restore confidence between our two Governments and peoples.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 8 July to the hon. Member for Derbyshire, West (Mr. Parris) if he will estimate the benefits to employment in the United Kingdom to be derived from the lifting of restrictions on trade between the United Kingdom and Argentina.

Mr. Renton: Our decision to lift the restrictions on imports from Argentina into the United Kingdom should have a beneficial effect on employment among importers and users of Argentine raw materials whose business had suffered as a result of the embargo. If, as we hope, the Argentine Government take reciprocal action, benefits to employment should be correspondingly greater. At this early stage the extent of these benefits cannot be quantified.

Falkland Islands

Sir Bernard Braine asked the Secretary of State for Foreign and Commonwealth Affairs what progress has been made in seeking to establish a multilaterally-based fisheries conservation and management regime around the Falkland Islands.

Mr. Renton: I would refer my hon. Friend to the answer I gave the hon. Member for Knowsley, North (Mr Robert Kilroy-Silk) on 3 July, at column 172.

Human Rights

Mr. Peter Bruinvels asked the Secretary of State for Foreign and Commonwealth Affairs if he will give, for judgments delivered by the European Court of Human Rights against signatory nations of the European Convention on Human Rights, the date of judgment, the name of the country affected, the articles in question, and brief details of the nature of the judgment since 1955, or such more recent date as information is readily available.

Mr. Renton: The European Court of Human Rights has given judgments finding breaches of the convention in cases brought against Austria, Belgium, the FRG, Ireland, Italy, the Netherlands, Portugal, Sweden, Switzerland and the United Kingdom. A number of these countries have cases pending against them, as has France. The further information requested by my hon. Friend is being assembled and I shall arrange for it to be published in the *Official Report*.

Namibia

Mr. Freeman asked the Secretary of State for Foreign and Commonwealth Affairs if he will set out the Government's position on meetings with the new interim Administration in Namibia and with the representatives of political parties in that country.

Mr. Rifkind: As we have already made clear, we have not met and will not meet representatives of the so-called "interim administration" in Namibia. As in the past, we shall maintain informal contacts with all Namibian political parties, including both SWAPO and the internal parties.

Departmental Broadcasting Responsibilities

Mr. Walden asked the Secretary of State for Foreign and Commonwealth Affairs whether he is able to enlarge on the observations he made last October in reply to the Foreign Affairs Committee report on the Foreign and Commonwealth Office and Overseas Development Administration Supply Estimates 1984-85 concerning the transfer of his Department's broadcasting responsibilities to the British Broadcasting Corporation, Cmnd. 9367.

Mr. Renton: After consultation with the BBC it has been decided that a full transfer is not feasible at this stage. In the meantime, we plan to rationalise the present arrangements as far as possible.

We have agreed with the BBC board of governors arrangements whereby the BBC will provide management and technical support for the transmitting and relay station at Orfordness from April 1986. The relay station at Crowborough will be closed down in accordance with existing plans.

There will be no change in our international agreements and the status of the British east Mediterranean relay station (BEMRS) in Cyprus and the British eastern relay station (BERS) in Oman will remain unchanged. The BBC will provide technical staff support where required by the FCO. Locally engaged staff at both these stations will continue to be employed under the same terms and conditions as before.

Existing members of the FCO broadcasting group will be considered for transfer to other posts in the FCO, or to other Departments in the Civil Service or to the BBC if that is their wish. The BBC has confirmed that it will give sympathetic consideration to applications from any members of the broadcasting group who may wish to transfer to the BBC. Any member of the staff who cannot be found alternative employment will be eligible for premature retirement in accordance with the Civil Service model redundancy agreement.

By reducing the present element of duplication in management, planning and engineering, the rationalisation programme is expected, on the basis of discounted cash flow calculations over 25 years at 1985 prices, to produce average annual savings of the order of £300,000 per annum with no reduction either in the current operational capability of external services broadcasting or in the improved audibility programme.

It is considered that there would be advantage in consolidating the capital provisions for the BBC external services, which are currently divided between class II, vote 1 (Overseas Representation) and class II, vote 3 (BBC External Services). Accordingly, Parliament will be invited to vote the money required in 1986-87 on a single Supply Estimate which would be that covering the grant-in-aid of the BBC external services.

AGRICULTURE, FISHERIES AND FOOD

Nephrops

Mr. John David Taylor asked the Minister of Agriculture, Fisheries and Food what representations he has received about the proposed European Economic Community market support scheme for the nephrops industry; whether the scheme would be optional; whether under the scheme the grading by size of nephrops would be optional; what representations he has made to the European Economic Community Commission on this matter; and if he will make a statement.

Mr. MacGregor: The Government have received a range of representations on market support for nephrops following the agreement on the accession of Spain and Portugal to the European Community.

Discussions on the European Commission's detailed scheme for private storage aid for this species have only just commenced and I have undertaken to keep interested parties informed as they proceed.

Vitamin E Information Exchange

The Reverend Martin Smyth asked the Minister of Agriculture, Fisheries and Food whether he has yet met representatives of the Vitamin E Information Exchange; and if he will make a statement.

Mrs. Fenner: No. As I told the hon. Member in my reply of 10 May, at column 522, vitamin E is present in adequate amounts in any likely diet in this country.

European Community Agricultural Budget

Mr. Marlow asked the Minister of Agriculture, Fisheries and Food if he will estimate the likely effect on the European Economic Community agricultural budget of a Soviet 1985 cereal harvest 25 million tons in excess of that in 1984; and what plans have been made to cope with this contingency.

Mr. MacGregor: I regret that it is not possible to make such a forecast.

Sugar Prices

Mr. Marlow asked the Minister of Agriculture, Fisheries and Food if he will compare the European Economic Community price of sugar with that on the world market; and if he will make a statement including the cost to *(a)* the consumer and *(b)* the taxpayer of the current EC sugar regime.

Mr. MacGregor: I shall reply to my hon. Friend as soon as possible.

Agricultural Expenditure

Mr. Teddy Taylor asked the Minister of Agriculture, Fisheries and Food which sectors of agricultural spending or spending related to agriculture were not covered by the 20·6 billion ecu limit agreed for agricultural spending in 1986 at the meeting of the Council of Finance Ministers on Monday 8 July; and if any limits have been fixed for spending in these excluded categories.

Mr. Jopling: The 20·6 billion ecu is the maximum level of expenditure from the guarantee section of the European agricultural guidance and guarantee fund (excluding fisheries) in 1986 calculated by the Commission for the Community of Ten in accordance with the financial guideline. It does not include expenditure from the guidance section of the fund (634 Mecu in 1984) or the items of agricultural expenditure financed from chapter 38 of section IIIB of the Community budget, notably animal health measures and agricultural research (56 Mecu in 1984).

The amount of financial assistance that may be charged to the guidance section of the EAGGF is limited under article 6 of Regulation (EEC) No. 729/70, currently to 5,250 million ecu for the period 1985 to 1989. In addition all non-obligatory expenditure in the Community budget (which includes the majority of chapter 38 of IIIB and some of the guidance section) is subject to the maximum rate of increase provided for in article 203 of the EEC treaty.

Community expenditure as a whole is covered by the reference framework which is established at the beginning of the budgetary procedure in accordance with the Council's conclusions on budget discipline.

Milk Quota

Mr. Maxwell-Hyslop asked the Minister of Agriculture, Fisheries and Food whether he will make it his policy to seek to buy in enough milk quota to honour supplementary quota without any percentage discount.

Mr. MacGregor [*pursuant to his reply*, 10 July 1985]: I am very conscious that some producers have been hard hit by the cut-back on development awards and am looking at ways of helping them from within the quota presently available. But I can offer no prospect of a further injection of Government funds beyond that already announced to buy up more quota for this purpose.

SCOTLAND

Hospital Beds

Mr. MacKenzie asked the Secretary of State for Scotland how many hospital beds are available in each health board area for elderly people in need of specialist care and attention.

Mr. Younger: The staffed hospital beds available for elderly patients at 31 March 1984 (the latest available date) were as follows:

	Number
Argyll and Clyde	982
Ayrshire and Arran	705
Borders	241
Dumfries and Galloway	326
Fife	629
Forth Valley	589
Grampian	1,019
Greater Glasgow	2,173
Highland	404
Lanarkshire	968
Lothian	1,447
Orkney	51
Shetland	87
Tayside	887
Western Isles	104
Scotland	10,612

Geriatric Care

Mr. MacKenzie asked the Secretary of State for Scotland how many nurses are in post in each health board area for the nursing of geriatric patients.

Mr. Younger: The whole-time equivalent numbers of trained nurses and nursing auxiliaries employed in geriatric hospitals and in long-stay units mainly for geriatric patients at 30 September 1984 are as follows.

Health Board	*Trained Nurses (whole-time equivalent)*	*Nursing Auxiliaries (whole-time equivalent)*
Argyll and Clyde	153·0	241·7
Ayrshire and Arran	181·0	228·2
Borders	61·8	84·2
Dumfries and Galloway	61·9	37·6
Fife	75·3	63·4
Forth Valley	172·8	254·0
Grampian	239·0	242·5
Greater Glasgow	443·6	623·9
Highland	73·0	67·4
Lanarkshire	302·3	233·1
Lothian	301·3	304·5
Orkney	—	—
Shetland	—	—
Tayside	274·0	283·6
Western Isles	40·3	13·8
Scotland	2,379·3	2,677·9

Statistics of nurses in training at these hospitals are not available. Geriatric patients are nursed also in general and geriatric beds in general and teaching hospitals, but the number of nursing staff involved cannot be separately identified.

Mr. MacKenzie asked the Secretary of State for Scotland how many doctors with specialist qualifications are in post in each health board area for the treatment of geriatric patients.

Mr. Younger: The number of consultants engaged wholly in geriatric medicine in Scotland as at 30 September 1984 is as follows. (Whole-time equivalent numbers are given in parenthesis.) Geriatric patients are also treated by consultants in many other specialties.

Health Board	*Consultants in geriatric medicine*	
Argyll and Clyde	4	(4·0)
Ayrshire and Arran	3	(3·0)
Borders	2	(2·0)
Dumfries and Galloway	2	(2·0)
Fife	3	(3·0)
Forth Valley	4	(4·0)
Grampian	5	(5·0)
Greater Glasgow	17	(16·6)
Highland	2	(2·0)
Lanarkshire	6	(6·0)
Lothian	11	(9·9)
Orkney	—	—
Shetland	—	—
Tayside	8	(7·6)
Western Isles	1	(1·0)
Scotland	68	(66·2)

Mr. MacKenzie asked the Secretary of State for Scotland how many elderly men and women are on the waiting list for treatment as geriatric patients in each area health board.

Mr Younger: The latest available information which relates to 31 March 1984, is as follows:

	Number on Waiting lists
Ayrshire and Arran	90
Borders	64
Argyll and Clyde	162
Fife	205
Greater Glasgow	0
Highland	75
Lanarkshire	508
Grampian	143
Orkney	57
Lothian	219
Tayside	145
Forth Valley	97
Western Isles	13
Dumfries and Galloway	29
Shetland	0
ALL SCOTLAND	1,807

Lists tend to overstate numbers of patients waiting for treatment. It is not possible to provide separate figures for men and women.

Mr. MacKenzie asked the Secretary of State for Scotland what additional resources he proposes to make available to area health boards for the provision of additional beds and nursing for geriatric patients.

Mr. Younger: The age structure of the population is one of the factors taken into account in determining the allocation among boards of resources for their hospital and community health services. For the current year, these resources have been increased by 5·5 per cent. in cash terms compared with 1984-85. In using these funds boards are expected to be guided by the recommendations in the report "Scottish Health Authorities' Priorities for the Eighties", which give high priority to services for the elderly.

Mr. MacKenzie asked the Secretary of State for Scotland if he will provide local authorities responsible for day centres for the elderly with additional resources to maintain and expand the service.

Mr. Younger: The number of day centre places provided by local authorities has risen from 1,355 in 1979 to 1,845 in 1984. Over the same period, places in centres provided by voluntary agencies rose from 2,168 to 2,676. It is for authorities to determine local priorities, but the Government's planning figures for social work services will continue to take the needs of the elderly into account.

Mr. MacKenzie asked the Secretary of State for Scotland how many elderly people are presently accommodated in local authority and voluntary old people's homes in each regional council area of Scotland.

Mr. Younger: The information requested is as follows:

Regional Council	*Local Authority Homes*	*Registered Homes**	*No. of Residents aged over 65 years (Estimated at 31 March 1984)*
Borders	296	190	486
Central	354	216	570
Dumfries and Galloway	296	145	441
Fife	610	267	877
Grampian	876	640	1,516
Highland	423	220	643
Lothian	1,103	843	1,946
Strathclyde	3,452	1,621	5,073
Tayside	883	741	1,624
Orkney	66	—	66
Shetland	55	16	71
Western Isles	150	—	150
TOTAL—SCOTLAND	8,564	4,899	13,463

* These are mainly homes run by voluntary bodies, but a small number of privately run homes are included.

Mr. MacKenzie asked the Secretary of State for Scotland how many district nurses are available in each health board area to visit elderly sick people in their own homes.

Mr. Younger: The whole-time equivalent number of district nurses available in each health board area in Scotland at 30 September 1984 is as follows:

Health board	*Number of district nurses expressed as whole-time equivalents*
Argyll and Clyde	161·3
Ayr and Arran	112·7
Borders	16·7
Dumfries and Galloway	30·5
Fife	156·1
Forth Valley	80·4
Grampian	193·9
Greater Glasgow	500·7
Highland	62·9
Lanarkshire	192·5
Lothian	238·4
Orkney	11·3
Shetland	6·5
Tayside	117·0
Western Isles	—
Scotland	1,880·9

The figures exclude the community nurses (670·0 whole-time equivalents) who combine midwifery, district nurse and health visitor duties.

In 1984, 57·7 per cent. of visits by district nurses were to people aged 75 and over and 80·4 per cent. to people aged 65 and over.

Health Boards (Expenditure)

Mr. Ewing asked the Secretary of State for Scotland if he will publish in the *Official Report* the full text of all letters sent recently to health boards in Scotland instructing them to reduce their expenditure by 5 per cent.

Mr. John MacKay: I wrote on 3 July to the chairmen of the five health boards which have been reluctant to test the cost effectiveness of their support services by seeking competitive tenders, requesting them to achieve by the end of the current financial year cash savings on their catering, domestic and laundry services equivalent to at least 5 per cent. of their expenditure on these services in 1984-85. These savings will remain available to the boards for their services to patients. I have placed copies of my letters in the Library.

Edinburgh City Council

Mr. Ron Brown asked the Secretary of State for Scotland what steps he has taken in respect of Edinburgh's budget; and if he will make a statement.

Mr. Ancram: On 22 May Edinburgh district council was notified that my right hon. Friend considered its planned expenditure for 1985-86 to be excessive and unreasonable and that he accordingly proposed to reduce the council's rate by 5·2p. The council submitted its representations on this proposal on 12 June and my right hon. Friend and I met representatives of the council to discuss these representations on 17 June. On 3 July my right hon. Friend laid before Parliament a report seeking approval to a reduction of 5·2p in the council's rate. On housing, following the report of the local inquiry on 20 May, my right hon. Friend made an order requiring the district council to revise its estimated rate contribution to its housing revenue account and to reduce the district rate by an additional 1·8p; the district council has refused to comply and the Lord Advocate has now applied to the Court of Session for an order of specific performance.

Mr. Ron Brown asked the Secretary of State for Scotland if he has any plans to appoint a commissioner to run Edinburgh city council.

Mr. Ancram: My right hon. Friend has no power to do so.

Mr. Ron Brown asked the Secretary of State for Scotland if he will meet a deputation of hon. Members from Edinburgh to discuss Edinburgh's budget.

Mr. Ancram: There will be a full debate in Parliament next week on my right hon. Friend's proposals to reduce the rate of Edinburgh district council, and hon. Members will have ample opportunity to make known their views. In these circumstances it does not seem necessary for my right hon. Friend to meet hon. Members at this stage.

Police Vehicles

Mr. Tony Banks asked the Secretary of State for Scotland (1) how many vehicles, which are not chargeable with vehicle excise duty by virtue of regulation 27 of the Road Vehicles (Registration and Licensing) Regulations 1971, are in the possession of each police authority in Scotland;

(2) how many vehicles, which are not chargeable with vehicle excise duty by virtue of Regulation 27 of the Road Vehicles (Registration and Licensing) Regulations 1971, are in the possession of each local authority in Scotland.

Mr. Ancram: I have no reason to believe there are any such vehicles in Scotland at present.

Primary and Secondary Schools

Mr. Wilson asked the Secretary of State for Scotland if he will list by region *(a)* the primary schools and *(b)* the secondary schools which were closed during 1983 and 1984.

Mr. Allan Stewart [*pursuant to his reply*, 17 June 1985, c. *32*]: In the period September 1982 to September 1984 the following closures of schools or departments were reported:

PRIMARY SCHOOLS

Borders
- Easter Langlee
- Lamancha
- Millburn
- Stobo
- Wester Langlee

Dumfries and Galloway
- Corrie
- Langholm Academy*
- Terregles
- Thornhill, Wallace Hall Academy*

Fife
- Kirkcaldy, Torbain (Infant)

Grampian
- Burnside
- Cummings Park
- Inverdee
- King Street
- O'Neil Corse
- Rosewood
- Willowpark

Highland
- Glenborrodale†
- Glenetive†
- Glenfinnan†
- Kingairloch†

Lothian
- Carrington
- Drylaw
- Groathill
- Milton House
- South Bridge
- St. Patricks

Strathclyde
- Barnock
- Biggar High*
- Bluevale
- Bunnahabhain (Islay)
- Clydebank, Elgin Street
- Dalleagles
- East Kilbride, Allers
- Girvan, Sacred Heart*
- Glencroe
- Hyde Park
- Irvine, St. Mary's
- Johnstone, St. Aidan's
- Lesmahagow Secondary*
- Our Lady of Fatima
- Riddrie
- St. Kentigern's
- Thomson Street

Tayside
- Ardler
- Balerno
- Balgowan
- Craichie
- Fowlis Wester
- Kingoldrum
- Menmuir
- Ruthven
- Tibbermore
- Tullibardine

Shetland
- Gruting

Western Isles
- Baleshare
- Northton (Harris)
- Uig

* Primary Departments only closed. Secondary Departments remained open.

† Temporary closure only.

SECONDARY SCHOOLS

Central
- Alloa, St Mungo's‡

Dumfries and Galloway
- Cargenbridge‡

Grampian
- New Pitsligo and St John's‡
- Rosehearty‡

Strathclyde
- Adelphi Secondary
- Riverside Secondary

Secondary Departments only closed. Primary Departments remained open.

Note: Some schools reported as closures may have been incorporated into a new school department.

NORTHERN IRELAND

Sinn Fein

15. **Mr. McCusker** asked the Secretary of State for Northern Ireland if he will now ban Sinn Fein.

Mr Scott: My right hon. Friend has no plans to do so at present.

Housing (Category 3 Repairs)

16. **Mr. Clifford Forsythe** asked the Secretary of State for Northern Ireland what is the average length of time taken by the Housing Executive to complete a category 3 repair.

Mr. Chris Patten: These are non-essential repairs not requiring immediate attention. They are grouped with similar requests and carried out as part of planned maintenance schemes. The chairman of the Northern Ireland Housing Executive has advised me that information on the average length of time for such repairs is not readily available.

Agriculture

17. **Mr. Nicholson** asked the Secretary of State for Northern Ireland if he will make a statement on the future prospects for Northern Ireland agriculture.

Dr. Boyson: The agriculture industry will continue to make a vital contribution to the well-being of Northern Ireland. The industry faces significant pressures at present, but I expect it to remain a strong and stable sector of economic activity in Northern Ireland, to which this Government attach considerable priority.

Home Improvement Grants

18. **Mr. Beggs:** asked the Secretary of State for Northern Ireland if Government proposals to means test home improvement grants will be applied to Northern Ireland; and if he will make a statement.

Mr. Chris Patten: The Government's proposals for restructuring of home improvement policy in Great Britain have not been finalised. When they are, I will consider them in relation to Northern Ireland's special housing needs.

Departmental Staff

Mrs. Rumbold asked the Secretary of State for Northern Ireland what manpower his Department has achieved in 1984-85.

Dr. Boyson: For the Northern Ireland Office the position is as follows:

	Staff in post	
	1 April 1984	*1 April 1985*
Home civil servants	181	175
Northern Ireland civil servants	1,229	1,185
Northern Ireland prison service	2,988	3,087

The increase reflects continued recruitment for the Northern Ireland prison service.

On 1 April 1984 the staff in post in the Northern Ireland Departments numbered 25,145; on 31 March 1985 the total was 24,909.

Gas and Oil Exploitation

Mr. Beggs asked the Secretary of State for Northern Ireland (1) what geological surveys have been carried out off the North Antrim coast to investigate the reserves of gas and oil; and if he will make a statement;

(2) what applications for licences have been made for gas and oil exploration off the North Antrim coast; which applications have been granted; and which refused, giving in each case the grounds for refusal.

Dr. Boyson: Two offshore seismic surveys have been completed by companies which held petroleum licences for areas of land and sea along the north coast of Counties Antrim and Londonderry. Much more prospecting will have to be undertaken in this area before there will be any indication of its potential for gas or oil.

A petroleum licence covering an area of 138 sq miles onshore and offshore centred on Rathlin Island was applied for and granted in 1980 but was revoked on 28 June 1985 as a consequence of non-fulfilment of licence commitments. Three competing applications were received for an area of 545 sq miles onshore and offshore along the north coast of Counties Antrim and Londonderry. In 1980 these were assessed on the basis of the proposed programmes, the technical competence of the applicants, their financial resources and their exploration experience. A licence for the area was granted in 1982.

"Come On Northern Ireland"

Mr. Hume asked the Secretary of State for Northern Ireland (1) how much the Industrial Development Board's "Come on Northern Ireland" advertising campaign on commercial broadcasting outlets has cost to date indicating the cost of producing the commercials, the cost of advertising them on independent television and independent radio; and how much more is to be spent on this campaign;

(2) how much the Industrial Development Board has spent on promotional advertising in local newspapers, provincial newspapers, British national newspapers, Irish national newspapers and foreign newspapers, respectively, on the "Come on Northern Ireland" campaign; and how much more is to be spent in this way in the remainder of this financial year;

(3) if he will make a statement on the purpose of the "Come on Northern Ireland" advertising campaign run by the Industrial Development Board and on its achievements to date.

Dr. Boyson: The aim of the "Come on Northern Ireland" campaign is to create a greater awareness of the role of the Industrial Development Board and to stimulate good will, support and involvement of all sections of the community in the effort to bring about the regeneration of the Northern Ireland economy. Follow-up research has indicated that it has been broadly successful in its aim. There are complementary campaigns aimed at local industry and overseas investors using the themes "With a little help from your friends" and "Judge us on the facts," respectively.

The total cost of the local TV campaign for 1984-85 was £124,000 including VAT (production £55,000, screen time £69,000). The budget for 1985-86 allocated for this campaign is £45,000 which is mostly for screening. There has been no radio advertising. The Industrial Development Board budget for newspaper advertising, the bulk of which relates to the drive for inward investment, has been as follows:

Type of Newspaper	1984-85 £	1985-86 £
NI Local (including provincial)	35,000	80,000
British National	192,000	67,000
Irish National	Nil	Nil
USA/Canadian	310,000	777,000
European	232,000	135,000
Far Eastern	50,000	158,000

Heavy Vehicles

Mr. Clifford Forsythe asked the Secretary of State for Northern Ireland how many prosecutions have been made under the Road Traffic, Transport and Roads (NI) Order 1984 against persons who have driven heavy vehicles on the public highway which have been in excess of the permitted maximum axle weight; and in how many cases a conviction resulted.

Mr. Chris Patten: I shall reply to the hon. Gentleman as soon as possible.

Mr. Clifford Forsythe asked the Secretary of State for Northern Ireland what is the maximum penalty for driving a heavy commercial vehicle on the public highway in excess of the maximum permitted axle weight; in how many cases conviction has been followed by the imposition of the maximum penalty; and how many convictions were of Northern Ireland and of Republic of Ireland residents.

Mr. Chris Patten: £2,000. This penalty has yet to be imposed.

Mr. Clifford Forsythe asked the Secretary of State for Northern Ireland what is the present maximum axleweight upon which a heavy commercial vehicle may travel on public roads in Northern Ireland; and how this limit has changed in the last five years.

Mr. Chris Patten: 10,500 kg, which represents one increase from 10,170 kg in the previous five years.

Mr. Clifford Forsythe asked the Secretary of State for Northern Ireland (1) what additional resources have been made available to enforce the provisions of the Road Traffic, Roads and Transport (NI) Order 1984 with regard to vehicle inspection and illegal parking of heavy commercial vehicles;

(2) how many prosecutions have been made under the Road Traffic, Transport and Roads (NI) Order 1984 against persons who have parked heavy vehicles on verges or footways; in how many cases a conviction resulted; and how many of those convicted were resident within Northern Ireland and how many in the Republic of Ireland;

(3) what is the maximum penalty for parking a heavy vehicle on a verge or footway; and, in how many cases a conviction has been followed by the imposition of the maximum penlty.

Mr. Scott: I shall reply to the hon. Gentleman as soon as possible.

Bomb Attacks (Newry and Killeen)

Sir Eldon Griffiths asked the Secretary of State for Northern Ireland if he will call for a report from the Chief Constable of the Royal Ulster Constabulary on the investigation into the mortar attacks at Newry and the car bomb attacks at the courthouse in Newry on 3 April and at Killeen on 20 May, indicating how many investigating officers were involved, their ranks, how many hours they spent on this inquiry, whether they sought to reconstruct the scenes of the incidents concerned, how many pages their report to the Chief Constable occupied, what conclusions were reached in their report about the operational dispositions of the police before, during and after each incident, what recommendations were made to the Chief Constable, and to what extent these have been implemented; and if he will make a statement on the substance of the report, with particular reference to the adequacy of the personal protection provided to the police officers incolved.

Mr. Scott: I shall reply to my hon. Friend as soon as possible.

Flags and Emblems Act

Mr. Sean Hughes asked the Secretary of State for Northern Ireland whether he proposes to seek to repeal the Flags and Emblems Act.

Mr. Scott: We have no plans to do so. The Act does not ban the peaceful flying of the Irish tricolour in Northern Ireland but we keep the need for, and use of, the Act under review, particularly in the light of the Government's commitment to recognise and respect the identities of both traditions in Northern Ireland.

Criminal Injuries (Compensation)

Mr. William Ross asked the Secretary of State for Northern Ireland when he expects to publish his proposals for amending the Criminal Injuries (Compensation) (N.I.) Order 1977; and at what date he intends that the new provisions shall be used as a basis for compensation.

Mr. Scott: [*pursuant to his reply*, 9 July 1985]: My right hon. Friend hopes to publish proposals for the amendment of the order, including proposed operative dates, later this year.

SOCIAL SERVICES

LD50 Test

Mr. Cohen asked the Secretary of State for Social Services if a decision has now been reached in consultation with the Medicines Commission to amend the "Biological Compendium" to replace the LD50 animal test for the antibiotic dactinomycin with an alternative such as high pressure liquid chromatography; and if he will make a statement.

Mr. Kenneth Clarke: Yes. We have decided, after consultation with the Medicines Commission, that the LD50 animal test should no longer be required for dactinomycin. Reference to the test will be deleted from the "Compendium of Licensing Requirements for the Manufacturing of Certain Biological Medicinal Products".

Social Security Review

Mr. Gordon Brown asked the Secretary of State for Social Services (1) whether it is envisaged that the proposed rate for teenagers referred to in paragraph 2.77 of "Reform of Social Security" (Cmnd. 9518) will include 13 to 17-year-olds, or 13 to 19-year-olds or some other age range;

(2) whether, under the proposals in the Green Paper, "The Reform of Social Security", it is intended that non-dependant 16 and 17-year-olds should receive the same rate of income support as that payable for dependent teenagers.

Mr. Tony Newton: The Green Paper, "Reform of Social Security" contains no proposals on the eligibility to benefit of young people but invites views on changing the structure of the scale rates for children. We will consider detailed arrangements for the support of children and young people in the light of the comments received.

Retirement Pensioners

Mr. Andrew Bowden asked the Secretary of State for Social Services what is the estimated number of retirement pensioners who will lose benefit as a result of *(a)* the difference between the 7 per cent. uprating of the basic retirement pension and the 5·8 per cent. rise in the housing benefit needs allowance, *(b)* the change to the housing benefit taper, and *(c)* the combination of both of these; and what is the estimated average loss of benefit in each case.

Mr. Newton: A precise estimate of the numbers whose benefit will be affected by the difference between the increase in the retirement pension and the housing benefit needs allowance could be obtained only at disproportionate cost. The different increases arise from the different uprating factors which have been used for several years to calculate changes in benefits and allowances. This year single pensioners will normally gain as a result of this difference, while the reduction in housing benefit for a pensioner couple will not normally exceed 18 pence a week for a tenant, and five pence a week for an owner occupier.

An estimated 1·5 million pensioners will be affected by the change to the rates taper above the needs allowance, and on average their housing benefit will be 47 pence a week less than it would otherwise have been. The differences in increases to the retirement pension and the needs allowance will mean that the effect of the change in the rates taper will normally be a little less for a single pensioner and slightly greater for a pensioner couple.

Benefits (Uprating)

Mr. Gordon Brown asked the Secretary of State for Social Services for each of the upratings proposed for July 1986 and April 1987, which month's retail price index will be used to determine the uprating and when each uprating will be announced; and if he will estimate the extra cost of the upratings compared with an uprating in November 1986 and 1987 assuming that inflation is a constant 5 per cent. throughout the relevant period, in each of the financial years 1985-86, 1986-87 and 1987-88.

Mr. Newton: I refer the hon. Member to my reply to my hon. Friend the Member for Brighton, Kempton, on 25 June at column *381*. The uprating would be announced, as at present, shortly after the publication of the retail prices index for the relevant month. Expenditure in 1985-86 is not affected. On the assumption given, there would be an additional cost in 1986-87 of about £150 million. In 1987-88 the effect would be broadly neutral.

Prisons

Mr. Stern asked the Secretary of State for Social Services to what extent the terms of reference of community health councils include the oversight of the prison medical service where there is one of Her Majesty's Prisons in their locality; and whether he will enter into consultations with a view to clarifying their terms of reference.

Mr. John Patten: Community health councils have a duty to represent the interests in the health service of the public in their districts. This does not extend to the prison medical service, for which my right hon. and learned Friend the Home Secretary is accountable to Parliament. Medical facilities in individual establishments are subject to scrutiny by boards of visitors and inspection by Her Majesty's Chief Inspector of Prisons, whose reports to my right hon. and learned Friend are published.

Natural Medicines

Mr. Rost asked the Secretary of State for Social Services (1) what progress he and his officials are making in resolving the difficulties facing the manufacturers of natural, homoeopathic and herbal medicines, resulting from his Department's proposals to remove licences from certain categories of natural medicines;

(2) if he will make a statement on his policy towards natural medicines, the likely effect of the current review under the Medicines Act on their future and his assessment of their contribution to the health of the nation;

(3) when he proposes to appoint specialists in the practice of natural, homoeopathic and herbal medicine to the Medicines Commission, the Committee for the Review of Medicines and the Committee on Safety of Medicines;

(4) if he will take steps to form a committee of advisers expert in the practice of natural, homoeopathic and herbal medicine, in accordance with the provisions of the Medicines Act 1968;

(5) if he will list the specialists in the practice of natural, homoeopathic and herbal medicine who now advise him on the Medicines Commission, the Committee for the Review of Medicines and the Committee on Safety of Medicines, according to the provisions of the Medicines Act 1968.

Mr. Kenneth Clarke: I welcome the opportunity to make clear the Government's position on the important issues raised by my hon. Friend. We wholeheartedly support the freedom of the individual to seek the benefits of alternative medicines and therapies. The Medicines Act 1968 contains specific provisions to ensure that doctors and pharmacists can supply individual patients with whatever medicine they believe is needed including alternative medicines and there are also specific provisions for herbal products. My hon. friend can be assured that it is not our intention to use this legislation to restrict the general availability of alternative medicines.

Under European Community requirements, it is necessary for medicinal products already on the market when the licensing system began for new products in 1971, to be reviewed by 1990. This requirement includes herbal medicines. It does not include homoeopathic or other alternative medicines which will not be reviewed until after 1990 unless in a particular case there is a specific safety hazard.

The review is being carried out by our Department as licensing authority under the Medicines Act, with the advice of the Committee on the Review of Medicines and, where appropriate, of the Medicines Commission. Of particular importance in this review are the safety and quality of medicines publicly available and on this we need the advice of doctors and pharmacists in our Department and on the advisory bodies, who are experts on the possible adverse effects of substances on the human body and on the safeguards needed in manufacture of medicines. As regards efficacy, it is proposed that for herbal medicines, and other medicines, intended for minor self-limiting conditions, the licensing authority should not require formal clinical trials, which are considered necessary when claims are made for serious illness. Instead the authority would rely, where appropriate, on existing bibliographical information. We are engaged in discussions on these matters with representatives of herbal manufacturers and others concerned.

Membership of the Committee on the Review of Medicines includes a pharmacist who has expertise in herbal products and pharmacognosy. We do not consider it necessary now to alter the membership of advisory bodies or to increase their number. But there are wide powers to add to the membership of these bodies either temporarily or permanently as the need arises and we shall keep this matter under careful scrutiny in the coming years.

We are confident that it will be possible to deal with the public sale and supply of alternative medicines in a way which recognises the special factors which apply in this area, but which also recognises the public expectation that medicines on public sale or supply shall satisfy adequate standards of safety and quality and shall not make claims, especially for serious conditions, unless these are well-founded.

If there are any particular difficulties as regards licences for alternative medicines that my hon. Friend wishes to raise with me, I shall be glad to hear from him.

Mr. Rost asked the Secretary of State for Social Services if he has any plans to amend Statutory Instrument No. 41 of 1975 concerning the Medicines Act 1968.

Mr. Kenneth Clarke: I assume my hon. Friend is referring to statutory instrument No. 41 of 1978—the Medicines (Labelling and Advertising to the Public) Regulations. We are currently considering amendments to this legislation and these were the subject of a consultation letter sent to all interested organisations in May 1983 (reference MLX 148). Copies are in the Library.

Mr. Rost asked the Secretary of State for Social Services what discussions he has had with expert advisers on natural, homoeopathic and herbal medicine represented on the Medicines Commission, the Committee for the Review of Medicines and the Committee on Safety of Medicines, about whether there are safe natural medicines available in the treatment of intestinal colic in young babies which avoid the side effects of the drug Dicyclomine.

Mr. Kenneth Clarke: I have held no such discussions. There are no natural products which have full product licences for use in the treatment of intestinal colic in young babies. If a company thinks they have a product which is safe and efficacious in the treatment of this condition they can apply for a product licence and their data in support of the application will be considered. Any licences of right for natural products used in the treatment of infant colic will eventually be considered by the licensing authority and if necessary by the Committee on the Review of Medicines.

Unemployment Benefit

Mr. Ralph Howell asked the Secretary of State for Social Services under what circumstances a claimant can work on *(a)* Saturdays, *(b)* Sundays and *(c)* after normal working hours and continue to claim full unemployment benefit.

Mr. Whitney: Unemployment benefit is a daily benefit payable for six days a week for Monday to Saturday. A claimant can work on those days and continue to receive benefit only if his earnings do not exceed £2 for the day, he is available to be employed full-time on that day, and the work done is not in his usual main occupation (unless it is done for, for example, a charity). Whether the work is done after normal hours is irrelevant. Work on a Sunday does not affect unemployment benefit because benefit is not payable for that day.

In addition to this, it is a basic principle of the unemployment benefit system that benefit should not be paid for days on which a claimant would not normally be employed. Thus, if he has worked to the full extent that he would normally work in a week, benefit is not payable for the days on which he does not work. In this context it does not matter whether the work is done on Sunday or other days, or at what hours. Whether a person has worked to his full normal extent is a question for decision by the independent statutory authorities on the facts of the particular case.

Health Visitors

Mr. Pavitt asked the Secretary of State for Social Services if he will make a statement on the present level of recruitment into the nursing speciality of health visitor.

Mr. Kenneth Clarke: The number of health visitors (including field work teachers and multiple duty staff) employed by the National Health Service in England at 30 September 1983, the latest year for which detailed information is available, was 9,708, an increase of 2·2 per cent. over the previous year. We are advised by the English National Board for Nursing Midwifery and Health Visiting that the number of health visitors entering training in England in the year ended 31 March 1985 was 848 compared with 925 in 1984. It is for health authorities to decide, in the light of local priorities and the resources available to them, how many health visitors they should employ and how many trainees they should recruit to meet service needs. A recent survey for the Review Body for Nursing Staff, Midwives and Health Visitors showed that only 1·2 per cent. of all whole-time equivalent funded posts for health visitors remained vacant for over three months.

Ex Gratia Payments

Mr. Mikardo asked the Secretary of State for Social Services if he will place in the Library a copy of the document setting out his Department's policy on ex gratia payments.

Mr. Whitney: Our policy is not set out in any single document, but is based on the reports made by the Public Accounts Committee over the years and on precedents agreed with the Treasury in individual cases. In general terms, an ex gratia payment may be made when a member of the public has suffered measurable loss as a direct result of Departmental maladministration, but if the hon. Member has any particular case in mind perhaps he would write to me.

Abortions

Mr. Peter Bruinvels asked the Secretary of State for Social Services (1), pursuant to his reply of 2 July, *Official Report*, column 59, if he will make regulations under the Abortion Act 1967 to provide that in the case of an abortion performed between 24 and 28 weeks of pregnancy, the doctor who performs the abortion shall specifically certify all cases where the grounds for the abortion under section 1(1)*(a)* of the Act relate solely to the sex of the unborn child; and if he will make a statement;

(2) if he will introduce legislation to render unlawful abortion on grounds which relate solely to the sex of the unborn child; and if he will make a statement.

Mr. Kenneth Clarke: Abortion on grounds relating to the sex of the foetus is not provided for in the Abortion Act and is therefore already unlawful.

Private Patients (Sheffield)

Mr. Caborn asked the Secretary of State for Social Services (1) what information he has as to the number of private patients in the Sheffield area health authority who have changed status to National Health Service patients within one episode of treatment in the last three years;

(2) what was the cost to the Sheffield area health authority of private patients who have changed status to National Health Service patients within one episode of treatment in the last three years for which figures are available.

Mr. Kenneth Clarke: We do not collect centrally such detailed local information. The hon. Member may therefore wish to make inquiries of the chairman of Sheffield district health authority.

Waiting Lists (Sheffield)

Mr. Caborn asked the Secretary of State for Social Services what were the average National Health Service waiting lists in the Sheffield area health authority for the last three years for which figures are available in orthopaedics, gynaecology, general medicine, ear nose and throat, dermatology, general surgery, geriatrics and heart surgery.

Mr. John Patten: The available information is given in the table. In general, figures on waiting lists are believed to include a significant proportion of duplicated entries and patients who no longer require treatment. About half of all admissions to hospital are immediate and many of those on waiting lists already have a planned date of admission.

Sheffield District Health Authority

	Number of persons on in-patient waiting lists		
	31 March	*30 September*	*31 December*
Orthopaedics			
1982*	2,999	3,693	3,733
1983	3,739	3,724	3,774
1984	3,527	3,670	†3,509
1985	†3,462	n/a	n/a
Gynaecology			
1982*	1,051	1,717	1,735
1983	1,637	1,357	1,234
1984	1,241	1,248	†1,293
1985	†1,156	n/a	n/a
General medicine			
1982*	20	41	41
1983	22	23	33
1984	21	17	†26
1985	†16	n/a	n/a
Ear, nose and throat			
1982*	650	1,049	1,004
1983	1,015	933	874
1984	799	650	†597
1985	677	n/a	n/a
Dermatology			
1982*	36	18	42
1983	32	10	18
1984	35	20	†13
1985	†9	n/a	n/a
General surgery			
1982*	1,875	2,788	2,643
1983	2,456	2,579	2,468
1984	2,424	2,739	†2,902
1985	†2,581	n/a	n/a
Geriatrics			
1982*	62	85	88
1983	84	54	14
1984	14	10	†87
1985	†nil	n/a	n/a
Thoracic surgery			
1982*	162	240	246
1983	234	233	215
1984	233	161	†177
1985	†227	n/a	n/a

* In general figures were affected by industrial action in the NHS in 1982.

† Provisional figures.

n/a=Not available.

Nurses

Mr. Campbell asked the Secretary of State for Social Services if he will publish in the *Official Report* a table showing the average weekly pay of a student nurse in each of the three stages of training; and how this compares with each of the last 10 years.

Mr. Kenneth Clarke: I refer the hon. Member to my reply to him on 21 June at columns *255-256*.

Mr. Campbell asked the Secretary of State for Social Services how many hospital beds and qualified nurses there are per head of population according to each health authority; and how this compares with each of the last 10 years.

Mr. Kenneth Clarke: I shall let the hon. Member have such information as can be obtained without incurring disproportionate cost as soon as possible.

Mr. Campbell asked the Secretary of State for Social Services what was the average number of hours overtime worked per week by *(a)* a first year student nurse, *(b)* a second year student nurse and *(c)* a third year student nurse in the last year for which figures are available.

Mr. Kenneth Clarke: We do not hold this information centrally.

Mr. Campbell asked the Secretary of State for Social Services if he will publish in the *Official Report* as much information as is in his possession about the average hours of work of a student nurse according to each of the three stages of training; and how this compares with each of the last six years.

Mr. Kenneth Clarke: I refer the hon. Member to my reply to him on 28 June at columns *530-531*. We do not hold such information centrally.

Woodgrange Park House (Ministerial Visit)

Mr. Tony Banks: asked the Secretary of State for Social Services if he will make a statement about the ministerial visit to his Department's office at Woodgrange Park House on 4 July.

Mr. Whitney: As part of a programme of visits by Ministers to local social security offices throughout the country, I went to the Woodgrange Park office on 4 July. I had useful discussions with many of the staff working in the office. I take this opportunity to record my appreciation of the dedication of these staff and of the staff of our other offices. I regret that because a minority of the staff decided to strike and join a demonstration outside the office, in which the hon. Member for Newham North West (Mr. Banks) also participated, the office was closed to the public until midday and claimants were inconvenienced. I spoke to the strikers at the end of my visit.

Mrs. Maria Shah

Mr. Tony Banks asked the Secretary of State for Social Services when the hon. Member for Newham, North-West may expect to receive a reply to the letter sent to his Department on 14 November 1984 regarding the case of Mrs. Maria Shah.

Mr. Whitney: I shall ensure that the hon. Member receives an early reply and would refer him to the answers I gave him on 1 July at columns *60-61*.

Broadmoor

Mr. Peter Bruinvels asked the Secretary of State for Social Services (1) if he will take steps to prevent patients at Broadmoor from being allowed out on visits;

(2) why patients from Broadmoor were recently allowed to visit Windsor; and if he will make a statement.

Mr. Kenneth Clarke: Visits outside Broadmoor hospital and the other special hospitals are an important element in patient rehabilitation programmes. The visit to Windsor to which my hon. Friend refers took place in July 1984 without any complaint from anyone at the time. Decisions on patient outings or other visits are matters for the clinical judgment of responsible medical officers. In the case of restricted patients, absences from the hospital require the approval of my right hon. and learned Friend, the Home Secretary. Patients taking part in group outings are escorted continuously by nurses from the hospitals. I am quite satisfied that there is no unacceptable degree of risk to the public from such visits.

Mr. Peter Bruinvels asked the Secretary of State for Social Services how long trusted patients are allowed to stay in Broadmoor on average before being transferred to ordinary psychiatric hospitals.

Mr. Kenneth Clarke: A research study of departures from the four special hospitals covering the years 1978 to 1982 showed the average length of stay of the patients who left in each of those years was:

	Years
1978	7·83
1979	7·48
1980	8·95
1981	8·19
1982	8·63

Steps will be taken to transfer a patient to another hospital as soon as it is agreed that he or she no longer requires the high level of security of a special hospital.

Mr. Peter Bruinvels asked the Secretary of State for Social Services how many patients were released from Broadmoor in each of the past five years; and whether any of them were recidivists.

Mr. Kenneth Clarke: The numbers of patients who left the hospital were as follows:

Broadmoor Hospital

	1980	*1981*	*1982*	*1983*	*1984*
Transferred to NHS hospitals whilst still detained under the Mental Health Act	33	56	30	30	36
Discharged into the community	19	12	22	11	11
Returned to prison	4	1	6	6	3
TOTAL	56	69	58	47	50

If my hon. Friend has in mind criminal records prior to admission, I am not able to give the further information requested. While the majority of patients in special hospitals were sent there by court orders or on transfer from prison, about 20 per cent. of these patients were admitted from other hospitals solely on account of the severity of their mental disorder and not as a consequence of appearance before a court.

Mental Health Review Tribunals

Mr. Peter Bruinvels asked the Secretary of State for Social Services if he is satisfied with the working of the mental health review tribunals established under the Mental Health Act 1983.

Mr. Kenneth Clarke: Yes.

Supplementary Benefit

Mr. Frank Field asked the Secretary of State for Social Services, pursuant to his reply of 1 July, *Official Report*, columns *45-46*, how many households recorded in the annual statistics inquiry for December 1983 were having deductions made from their supplementary benefit for electricity and how many for gas in £1·00 bands above £12·00 per week.

Mr. Whitney: I shall let the hon. Member have a reply as soon as possible as far as deductions for electricity are concerned. Because of the sample size, a reliable breakdown cannot be made in bands over £12 per week of deduction for gas.

Diabetes

Mr. Ashley asked the Secretary of State for Social Services what provision his Department is making for improving education on diabetes to patients and their families; and what advice he has given to regional health authorities on providing education programmes for diabetics.

Mr. John Patten: Clearly the education of diabetics about the condition and its implications is an important part of their treatment. It must be a matter for the doctor responsible for the patient to ensure that the patient is fully informed and trained to cope with this condition.

Mr. Ashley asked the Secretary of State for Social Services what provision his Department is making for promoting the screening of eyes of diabetics.

Mr. John Patten: There is growing acceptance within the Health Service of the importance of screening patients with diabetes for diabetic retinopathy, a major cause of visual handicap. The Department is funding a multicentre project to establish the most effective means of organising screening programmes.

Social Security Review

Ms. Harman asked the Secretary of State for Social Services (1) if he will expand on the description of claimants who have no recent links with the United Kingdom given in paragraph 2.87 of Cmnd. 9518;

(2) whether the presence test mentioned in paragraph 2.87 of the Green Paper on "Reform of Social Security", Cmnd. 9518, will exclude claimants who have gone abroad for long periods to visit or care for relatives;

(3) whether the presence test mentioned in paragraph 2.87 of the Green Paper on "Reform of Social Security", Cmnd. 9518, will include a reference to a claimant's immigration status.

Mr. Newton: I shall let the hon. Member have a reply as soon as possible.

NHS (Private Contractors)

Mr. Dubs asked the Secretary of State for Social Services what recent representations he has received concerning the inclusion of Whitley council conditions of service and rates of pay in contracts between the National Health Service and private contractors.

Mr. Kenneth Clarke: None.

Mr. Dubs asked the Secretary of State for Social Services what information he has as to how many current contracts between district health authorities and private contractors *(a)* include, and *(b)* exclude, Whitley council conditions of service and rates of pay.

Mr. Kenneth Clarke: We are not aware how many health authorities have let contracts with such conditions included, but none should have done so. We have informed health authorities that it is quite wrong to try to interfere in this way in the relationship between a contractor and his employees. We do not approve of or support any attempt by a health authority to try to enforce such conditions.

Medicines (Ingredients)

Mr. Ashley asked the Secretary of State for Social Services if he will take steps to require drug manufacturers to specify each of the contents of proprietary medicines.

Mr. Kenneth Clarke: I assume the right hon. Member is referring to medicines purchased over the counter. Regulations already require the active ingredients to be stated on labels and leaflets. We are presently looking at the practicality of requiring some inactive ingredients—for example, colouring agents—to be declared where these are known to cause reactions in certain people.

Housing Benefit

Mr. Meacher asked the Secretary of State for Social Services if he will take steps to alter the housing benefit regulations that cover non householders over 18 years on youth training schemes to provide that housing benefit their parents receive is not reduced on the assumption that they are wage-earners.

Mr. Newton: Regulation 20(8) of the Housing Benefits Regulations 1985 provides that no deduction shall be made from housing benefit in respect of a non-dependant who is in receipt of a training allowance paid by the Manpower Services Commission in connection with a youth training scheme.

DEFENCE

Cruise Missiles

Mr. Andrew F. Bennett asked the Secretary of State for Defence whether Her Majesty's Government have been consulted by the United States administration about planned future improvements in the range and capability of cruise missiles based in the United Kingdom ; and if he will make a statement.

Mr. Stanley: I understand from the United States authorities that no such improvements that are of material significance are currently planned.

Chemical Weapons

Mr. Cohen asked the Secretary of State for Defence if in the light of the recent United States House of Representatives decision on 20 June to authorise funds for offensive chemical weapons on condition that Britain agrees to store them, it remains his policy to oppose the storage of chemical weapons in Britain; and if he will make the position of Her Majesty's Government on this issue known to both the members of the United States Congress and to the United States administration.

Mr. Stanley: The position on the storage of United States chemical weapons in Britain is that no such request has been made to us, as I said to my hon. Friend the Member for Bexleyheath on 26 March (Vol. 76, columns *180-1*).

Exercise Brave Defender

Mr. Cohen asked the Secretary of State for Defence whether any restrictions on civil liberties are envisaged in the exercise brave defender scenario; and if he will make a statement.

Mr. Stanley: The detailed exercise scenario is classified. However, as my right hon. Friend the Secretary of State for Defence stated on 21 March 1985 (Vol. 75, columns 585-6) Exercise Brave Defender will test the revised home defence plans described in paragraph 413 of the "Statement on the Defence Estimates 1984" (Cmnd. 9227).

Mr. Cohen asked the Secretary of State for Defence what is the most recent estimate of the cost of exercise brave defender; and if he will provide a breakdown.

Mr. Stanley: I refer the hon. Member to the reply I gave to the hon. Member for Meirionnydd Nant Conwy (Mr. Thomas) on 25 February 1985, at column 83. Approximately two thirds of the £3 million is attributable to additional manpower and associated costs, such as travel; the remainder covers additional logistic support.

Annual Awards

Mr. Holt asked the Secretary of State for Defence if he has any plans to review the annual award to holders of, or widows of holders of, the Victoria Cross and George Cross; and if he will make a statement.

Mr. Lee: We have no plans at present to review the annuity associated with the Victoria Cross.

The George Cross is, of course, primarily intended for civilians, and questions relating to its associated pension are a matter for my right hon. Friend the Prime Minister.

Explosives and Ammunition

Mr. Maclean asked the Secretary of State for Defence what measures are taken to ensure that the criteria governing the storage, processing and handling of conventional military explosives and ammunition are up to date.

Mr. Lee: The explosives storage and transport committee periodically reviews procedures for Ministry of Defence-owned munitions to ensure that they are in accordance with the best advice available in explosives safety. The latest of these reviews, in which the Health and Safety Executive is fully involved, has just started. An independent adviser, Mr. Bryan Harvey, has been appointed by my noble Friend the Parliamentary Under-Secretary of State for the Armed Forces to whom he will be able to report directly on progress.

Soviet Weaponry

Sir Frederic Bennett asked the Secretary of State for Defence if he will make a statement on the scope and nature of Soviet activities in the field of space weapons and ballistic missile defence.

Mr. Stanley: Soviet space and ballistic missile defence programmes are extensive and have been in existence since the 1960s, and only recently the Soviet Defence Minister has confirmed that the Russians are conducting outer space military research. They possess and are upgrading around Moscow the world's only system of active anti-ballistic missile defences, which employs nuclear-tipped missiles capable of destroying targets outside the atmosphere. They have an operational anti-satellite system. They are also conducting substantial programmes on advanced technologies relevant to ballistic missile defence, including high-powered lasers, kinetic energy and particle beam weapons, and heavy lift space launchers. In fact, since 1976 they have conducted more than twice as many launches as the rest of the world put together, about 80 per cent. of them military in nature. We are considering whether further information can be made available on the extent of Soviet ballistic missile defence activity. This subject is also dealt with in the United States Government's publication "Soviet Military Power: 1985," a copy of which is in the Library and with whose assessment on this subject we are generally in agreement.

Engagements

Mr. Dalyell asked the Secretary of State for Defence if he will state his official engagements for Monday 8 July.

Mr. Heseltine: In the morning I had meetings with the Indonesian Minister of Research and Technology, the United States Under Secretary of Defence Policy, ministerial colleagues and others, and I later attended a meeting with my right hon. Friend the Prime Minister and the chiefs of staff. I had further meetings in the afternoon.

Written Answers to Questions

Friday 12 July 1985

EDUCATION AND SCIENCE

University Teachers

Mr. Beith asked the Secretary of State for Education and Science by how much university teachers' salaries have fallen behind retail prices and average earnings since the comparability settlement which determined university teachers' salaries in October 1979.

Sir Keith Joseph: This "1979 comparability settlement" did not settle salaries "in October 1979". It was promulgated in August 1980 and the salary increases were paid in instalments in April and October 1980. By reference to the salary rates actually in operation on 1 October 1979, university teachers' salaries have matched the increase in the retail prices index and fallen behind the average earnings index by some 10 per cent.

University Lecturers and Professors (Salaries)

Mr. Beith asked the Secretary of State for Education and Science what would now be the gross salary of *(a)* a university lecturer on the scale maximum and *(b)* a university professor on the professional average, if the salary obtaining in October 1979 had kept pace with subsequent movements in the retail price index.

Sir Keith Joseph: Between October 1979 and April 1984 the gross actual salaries in each case have kept up with movements in the retail prices index and would therefore be no different.

Teachers (Early Retirement)

Mr. Hancock asked the Secretary of State for Education and Science how many teachers have taken early retirement in the last five years.

Mr. Dunn: Under the Teachers Superannuation Regulations 1976 (as amended) the minimum retirement age is normally 60. Teachers may retire earlier on grounds of infirmity or, for those between age 50 and 60, if the employer certifies that the teacher's service has been terminated by reason of redundancy or in the interests of the efficient discharge of the employer's functions. The numbers of retirements below age 60 in each of the past five years are as follows:

	Infirmity	*Other Premature*	*Total*
1980-81	1,354	4,301	5,655
1981-82	1,509	6,341	7,850
1982-83	1,859	6,997	8,856
1983-84	2,068	7,409	9,477
1984-85	2,445	9,175	11,620

Russian Language

Mr. George asked the Secretary of State for Education and Science how many universities, polytechnics and colleges teach *(a)* Russian language and *(b)* Soviet studies; how many graduates and post-graduate students have qualified with degrees or diplomas in each of the last five years; and if he will make a statement on his policy towards the future of Russian language and Soviet studies.

Mr. Brooke: Thirty universities in Great Britain and one polytechnic in England offer degree courses in Russian or Russian studies. Statistical returns to the Department do not make it possible to provide separate figures for courses with these titles; information about provision for these subjects in colleges of further education is not readily available; nor is it possible to provide figures for students successfully completing courses in this field leading to the Higher National Diploma. The numbers obtaining first and post-graduate degrees in Russian and Russian studies at universities and polytechnics in each of the last five years were as follows:

	1979	*1980*	*1981*	*1982*	*1983*	*1984*
Universities (Great Britain)						
First Degrees	130	127	130	110	88	109
Higher Degrees*	33	14	23	25	22	26
Total	163	141	153	135	110	135
Polytechnics	5	6	8	10	8	5

The Government's general policy for higher education was presented in the Green Paper, "The Development of Higher Education into the 1990s" (Cmnd. 9524). The Paper does not deal specifically with provision for Russian or Russian studies but the Government acknowledge their potential value and believe that to maintain capacity for a full range of modern language teaching, including subjects which are a minority preference, will require continuing gains in efficiency, entailing further concentration of provision.

Foreign Languages

Mr. Fallon asked the Secretary of State for Education and Science what steps he is taking to promote and support the teaching of foreign languages; and if he will make a statement.

Sir Keith Joseph: Britain's membership of the European Community and her place as a trading nation make a strong capacity in foreign languages essential and the Government attaches importance to the teaching of

such languages. We have announced our intention to issue later this year a statement of policy on foreign language teaching in schools in England and Wales.

We also attach importance to the support of foreign language teaching; and I therefore intend to continue to make available funding to the centre for information on language teaching and research for its work in this area. However, in the context of public expenditure restraint, I wish to ensure that CILT's grant — which stands at £386,551 in 1985-86 — is put to the best possible use and that the scope for possible savings is identified. I am therefore initiating — in association with my right hon. Friends the Secretaries of State for Scotland and Northern Ireland, whose Departments also contribute to CILT's grant — a joint exploration with CILT and its clients of ways of improving value for money.

A copy of the consultative letter which is being issued today has been placed in the Library.

ENVIRONMENT

Tower Hamlets

Mr. Shore asked the Secretary of State for the Environment how many industrial improvement areas have been scheduled under the Inner Urban Areas Act in the borough of Tower Hamlets; and what is the total of urban development grants made by him towards projects in those areas.

Sir George Young: Four. Urban development grant, involving public expenditure of up to £196,500, has been offered towards one project in one of these areas. Urban development grant is not limited to industrial improvement areas and other forms of assistance to firms are available, in particular under sections 5 and 6 of the Inner Urban Areas Act 1978, in such areas.

Tenders

Mr. Hancock asked the Secretary of State for the Environment if he will introduce legislation to allow local authorities to tender for contracts offered to Government Departments for items such as highway maintenance and buildings; and if he will make a statement.

Mr. Waldegrave: I shall answer this question shortly.

Housing Programme (Birmingham)

Mr. Rooker asked the Secretary of State for the Environment if he will make a statement on the local discretionary element of the Birmingham city council housing investment programme in so far as the Housing Defects Act is concerned.

Mr. Gow: In deciding the local discretionary element of Birmingham's HIP allocation for 1985-86, many factors were taken into account including the Housing Defects Act 1984. It is not possible to attribute specific amounts to particular factors. My right hon. Friend the Secretary of State announced to the House on 13 March at column 348 that he would consider sympathetically applications for additional allocations from authorities which would have particular difficulty in meeting their obligations under the Act. I hope to make an announcement about that shortly.

Telecommunication Developments

Mr. Silvester asked the Secretary of State for the Environment when he intends to amend the general development order to take account of telecommunication developments; and what safeguards for the environment will apply to such developments.

Mr. Macfarlane: The necessary orders, made by my right hon. Friend, the Secretary of State have been laid before Parliament today. The relevant orders consist of an amendment to the General Development Orders 1977-83, and a new special development order to deal with national parks, areas of outstanding natural beauty, conservation areas and the broads. An order made by the Secretary of State for Scotland amending the Scottish General Development Order 1981 in a similar manner has also been laid before Parliament today. These orders will come into operation on 1 November. I am advised that appropriate corresponding changes to Northern Ireland legislation are under consideration.

The general development order amendment provides for two new classes of permitted development. The first and more extensive concerns minor development by code operators — that is to say those persons operating a telecommunications system to whom the powers in the telecommunications code have been applied, by the telecommunications licences issued by the Secretary of State for Trade and Industry. These code operators will include companies who have been licensed to provide a national telecommunications system — British Telecom, Mercury, and the two national cellular radio companies — and a number of operators licensed to install local broadband cable television systems.

Much of the development associated with these systems is minor — much of the apparatus is underground — and it would be burdensome to impose full planning control in these circumstances. Class XXIV of the new GDO will therefore permit licensed code operators to install a wide variety of telecommunications apparatus under, on and over land, and on buildings, subject to various limits and conditions set out in that order. This apparatus includes wires, poles, ducts, telephone kiosks and equipment cabinets, small masts and certain antennae (including terrestrial microwave and satellite dishes), but excludes buildings.

Planning applications are not normally required for any development permitted by the various classes of the GDO. However, apart from the various limits set out in the GDO itself, the planning freedom represented by the GDO changes are qualified in their effect by the terms of each code operator's telecommunications licence, since every code licence contains conditions designed to help protect the physical environment and conserve the natural beauty and amenity of the countryside. For example, British Telecom's licence requires it to install its lines underground in conservation areas, with various specified exceptions; there are special arrangements for national parks and areas of outstanding natural beauty and in Scotland for the national scenic areas; and more generally British Telecom must take steps to ensure that all new lines other than service lines are installed underground where it is reasonable to do so. Each of the various individual system licences therefore provides essential environmental safeguards which will help ensure that the planning freedom given by the GDO is exercised responsibly, and

that in many cases local planning authorities are formally consulted by the installer of the apparatus before development takes place in certain situations. The licence system allows these planning safeguards to be tailored to the type and method of installation of the telecommunications system concerned and to the nature of the area in question, after taking into account any views expressed by local planning authorities and others during the required statutory consultation period.

The other new Class of the GDO deals with certain apparatus installed by persons to whom no Code powers apply, but who nonetheless may be installing small antennae on larger buildings, either to establish a microwave transmission link to another site, or to receive signals from a telecommunications broadcasting satellite. Subject to limits on the size and number of the antennae, on the minimum height of the building and on the height which they add to the building concerned, we propose to extend permitted development status to these installations as well, under the new Order. However, the new special development order, which accompanies the GDO changes, disapplies the planning freedom to erect such antennae—in respect of both new GDO classes—in all the special areas to which it applies, namely the national parks, areas of outstanding natural beauty, conservation areas, and the Norfolk broads. In those areas, and in Scotland in the national scenic areas, the present requirement to make a specific planning application remains unaltered.

The special development order also has the effect of bringing into line with existing special areas any land which has been designated as a conservation area, AONB or national park in England and Wales since 1981, together with the broads. Quite apart from telecommunications matters, such newly designated areas will be subject to the narrower version of the rights to extend private houses and industrial buildings, in the same way as other such areas have been since 1981.

The various changes to the planning system in respect of telecommunications are intended to reflect the growth in telecommunications and changes in Government policy towards its regulation. We have taken considerable care following extensive public consultations to achieve both a reasonable degree of planning freedom for the benefits of telecommunications development while at the same time imposing effective and essential safeguards so that the surroundings in which we live are properly protected from visual damage.

Grant-Related Expenditure

Mr. Watson asked the Secretary of State for the Environment if he will make a statement about the changes to local authorities' grant-related expenditure in the Rate Support Grant Supplementary Report (England) (No. 3) 1982-83.

Mr. Patrick Jenkin: I first laid this report before the House on 4 July. Since then it has come to light that the report did not incorporate a change to Dudley MBC's grant-related expenditure which my Department had agreed should be made so as to correct a form-filling error by the council. Accordingly I laid before the House yesterday the 1982-83 Report with the requisite changes in manuscript on pages 3, 8 and 28. The report is being re-printed. Copies of the substituted report will be sent to all local authorities.

Local Government Reform

Mr. Tony Banks asked the Secretary of State for the Environment (1) to whom the residuary body will be accountable; and whether there are any plans for a review of its expenditure by the Audit Commission;

(2) if the validity of proceedings of the London Residuary Body will be dependent on an established quorum.

Mr. Kenneth Baker [*pursuant to his reply*, 10 July 1985]: The hon. Member will also find relevant information in paragraph 5 of schedule 13 to the Local Government Bill.

London Docklands Development Corporation

Mr. Tony Banks asked the Secretary of State for the Environment (1) what arrangements exist for consultation between the London Docklands Development Corporation and the population in the London docklands area; and if he will make a statement;

(2) what efforts are made by the London Docklands Development Corporation to let the Docklands Forum know what its plans are; and if he will make a statement.

Sir George Young [*pursuant to his answer*, 11 July 1985]: The Docklands Forum and local voluntary bodies are represented on a number of LDDC community liaison groups which consider project funding for voluntary organisations as well as more general issues affecting the local community. One of the most important roles of the corporation's three area offices in Tower Hamlets, Newham and Southwark is to provide accessible centres where local people can meet and question the development team for the area. There are also arrangements for consultation with local people on specific planning issues.

The Docklands Forum, which receives revenue funding from the corporation, meets the LDDC regularly at chairman level to review its community liaison arrangements. In addition a number of joint LDDC/ Docklands Forum committees have been formed to look into specific topics.

TRANSPORT

Gravesend-Tilbury Ferry

Mr. Snape asked the Secretary of State for Transport if he sought or received any assurances regarding the future of the Gravesend-Tilbury ferry service prior to the privatisation of Sealink UK Ltd.

Mr. David Mitchell: In its information memorandum issued prior to the privatisation of Sealink UK Ltd., the British Railways Board told potential purchasers that the company's ferry service between Gravesend and Tilbury is a common law franchise ferry service and the company is therefore obliged to maintain its operation.

TRADE AND INDUSTRY

Trade Statistics

Mr. Deakins asked the Secretary of State for Trade and Industry which European Economic Community countries have increased their share of world trade in manufactured goods since 1972.

Mr. Channon: In 1983, the latest year for which figures are available, Ireland and Greece had higher shares of the exports of manufactures by all countries (excluding the centrally planned economies) than in 1972.

"Made in Britain"

Mr. Murphy asked the Secretary of State for Trade and Industry what recent representations he has received regarding the accuracy of descriptions relating to "Made in Britain" in the light of campaigns to buy British.

Mr. Fletcher: None that can be identified as such, although I do from time to time receive suggestions for changes in the definition of origin in Section 36 of the Trade Descriptions Act 1968.

House of Fraser

Mr. Wrigglesworth asked the Secretary of State for Trade and Industry if he will list the sources from which he obtained information, other than from Kleinwort Benson or the Al Fayeds, upon which to base his decision not to refer the takeover bid by Al Fayed to the Monopolies and Mergers Commission.

Mr. Fletcher: No. Such information is confidential.

Alpha Steel Works, Newport

Mr. Roy Hughes asked the Secretary of State for Trade and Industry if he has had any recent discussions with the chairman of the British Steel Corporation concerning the future of the Alpha steel works in Newport, Gwent.

Mr. Norman Lamont: It is not normal to comment on any discussions that may have taken place concerning any private sector company.

Crossbows

Mr. Dickens asked the Secretary of State for Trade and Industry if he will introduce legislation to ban the importation of crossbows; and if he will make a statement.

Mr. Channon: The misuse of these articles is adequately covered by existing criminal legislation, so I do not think that there is any reason to impose such a ban.

Bubble Gum Sweets

Mr. Waller asked the Secretary of State for Trade and Industry what information he has about imports of aluminium-coated bubble gum sweets.

Mr. Channon: Aluminium-coated bubble gum sweets are not separately distinguished in the *United Kingdom Overseas Trade Statistics*.

Motor Vehicles

Mr. Marlow asked the Secretary of State for Trade and Industry if he will list his powers to require car manufacturers to state the British value added percentage in each marque in their product range.

Mr. Fletcher [*pursuant to his reply*, 11 July 1985]: Section 8 of the Trade Descriptions Act 1968 provides powers to require that goods should be marked with or accompanied by prescribed information relating to the goods, where such information appears necessary or expedient in the interest of persons to whom any goods are supplied. Section 9 of the Act provides corresponding powers in respect of advertisements for goods. The use of these powers is subject to prior consultation with those whose interests are likely to be affected, and to the constraints of the Government's international obligations.

Mr. Teddy Taylor asked the Secretary of State for Trade and Industry what was the value of motor car, lorry and bus exports to the European Economic Community, respectively, including Portugal and Spain, over the most recent 12-month period for which figures are available; what were the comparable figures in each of the previous five years; and what were the comparable figures for imports of cars, lorries and buses, respectively, from the European Economic Community.

Mr. Channon: [*pursuant to his reply*, 11 July 1985]: The available information is as follows:

Value £ million

	1980	*1981*	*1982*	*1983*	*1984*	*May 1984-April 1985*
Complete passenger motor cars:						
UK exports	291	299	336	320	302	324
UK imports	1,648	1,717	2,329	2,969	2,877	3,062
Lorries, trucks, vans, etc.						
UK exports	246	178	139	106	97	98
UK imports	180	98	197	290	319	338
Complete buses and coaches						
UK exports	3	1	2	3	2	4
UK imports	6	13	31	46	49	43

Source: data corresponding to SITC/R2 Groups 781 & 782 and Sub-group 783.1 in the UK Overseas Trade Statistics.
Notes:
(i) 1984 figures are provisional.
(ii) UK exports are valued fob, imports are valued cif.
(iii) All figures relate to the European Community as currently constituted, plus Spain and Portugal.

NATIONAL FINANCE

General Betting Duty

Mr. Greenway asked the Chancellor of the Exchequer what was the yield from the general betting duty in the latest year for which figures are available.

Mr. Hayhoe: The yield from general betting duty in 1984-85 was £293 million.

Black Economy

Mr. Ralph Howell asked the Chancellor of the Exchequer if he will initiate studies of recent estimates of the size of the black economy and the correlation between the level of unemployed claimants and registrants at jobcentres, with a view to instituting subsequently an inquiry into the size of the black economy and ways to restrict it; and if he will make a statement.

Mr. Moore: I shall let my hon. Friend have a reply as soon as possible.

Brussels Meeting

Mr. Chapman asked the Chancellor of the Exchequer if he will make a statement about the meeting of the European Community Economic and Finance Council in Brussels on 8 July.

Mr. Lawson: I represented the United Kingdom at this Council.

In accordance with the new arrangements for budget discipline, the council reached an agreement by qualified majority to fix the reference framework for 1986 at 29·7 billion ecu (about £17 billion). The European Parliament will be invited to give its views before the reference framework is formally adopted. Detailed consideration of the financing of Community policies will then proceed in the Budget Council which will also have before it fuller information in particular on the impact of inlargement.

The Council also reviewed the economic situation in the Community. It decided there was no need to change the policy guidelines agreed in December 1984. It took note of the budget guidelines issued to individual member states.

Ministers also discussed tax measures to encourage co-operation between undertakings in different member states. This subject will be considered further at the October Council. It was agreed that the 20th VAT directive which concerns special national aid for German farmers should now be adopted as an A point at a forthcoming Council.

While there are a number of technical issues to be resolved before the directive on emissions from engines of motor vehicles can be adopted, the United Kingdom was able to lift the *ad referendum* reserve on the agreement on standards for vehicle emissions reached at the Environment Council on 27-28 June.

EC (Loans)

Mr. William Ross asked the Chancellor of the Exchequer (1) what sums have been paid by the United Kingdom to the European Economic Community in interest charges on sums on loan to the United Kingdom from the European Economic Community in each year or financial year since 1 January 1973 to the latest convenient date;

(2) what sums have been repaid of the capital sums lent to the United Kingdom by the European Economic Community in each year from 1 January 1973 to the latest convenient date.

Mr. Ian Stewart [*pursuant to his replies*, 10 July 1985]: Information on interest payments and capital repayments in respect of borrowing from the EEC by the United Kingdom public sector can be provided only at disproportionate cost. Information in respect of private sector transactions is in any case incomplete. I therefore regret that I am unable to supply the information requested.

WALES

Day Care Places

Mr. Barry Jones asked the Secretary of State for Wales how many day care places are currently available in Wales.

Mr. Nicholas Edwards: 5,431 at 31 March 1984, the latest date for which information is available.

Mr. Barry Jones asked the Secretary of State for Wales what was the proportion of day care places to the number of people over the age of 75 years in Wales for each of the years 1978 to 1985 inclusive.

Mr. Nicholas Edwards: The information is given below:

*Year	*Number of day care places*		*Total*	*Rate per thousand population aged 75+*
	in day centres for the elderly	*in LA residential homes for the elderly*		
1978	2,631	286	2,917	19·6
1979	2,585	263	2,848	18·6
1980	2,649	317	2,966	19·1
1981	2,697	307	3,004	18·9
1982	2,660	371	3,031	18·1
1983	2,328	412	2,740	15·9
1984	2,295	269	2,564	14·5

* as at 31 March

Housing Repairs

Mr. Barry Jones asked the Secretary of State for Wales what information he has as to the proportion of homes in Wales in need of repairs exceeding £7,000 in cost, currently occupied by *(a)* pensioners, *(b)* unemployed persons, *(c)* single parent familes and *(d)* people with total annual incomes of £7,000 or less.

Mr. John Stradling Thomas: The 1981 "Welsh House Condition Survey" identified the proportion of homes which were in need of repairs over £7,000 and which were occupied by pensioners and unemployed persons as 2·6 per cent. and 0·4 per cent. respectively. No information is available in respect of single parent families or persons whose incomes were below £7,000.

Doctors' Lists

Mr. Barry Jones asked the Secretary of State for Wales what was the total number of Welsh people registered with a general practitioner at the latest convenient date; and what proportion of the population this represented.

Mr. Nicholas Edwards: At 1 April 1985, the number of patients registered on general practitioner lists held by the eight family practitioner committees in Wales totalled 2,902,800. This was 3·4 per cent. more than the estimated population of Wales, the excess being primarily due to the dual registration of patients who are tranferring between doctors, and are temporarily included on both lists.

Skillcentres

Mr. Barry Jones asked the Secretary of State for Wales what plans he has to visit the West Gwent skill training centre and the Llanelli skill training centre.

Mr. John Stradling Thomas: None at present. I shall maintain my close interest in the Manpower Services Commission's plans to develop and expand training provision in the areas served by these skillcentres.

School Leavers

Mr. Barry Jones asked the Secretary of State for Wales what is his estimate of the number of school leavers in Wales since Easter 1985 inclusive.

Mr. John Stradling Thomas: Information on the characteristics of school leavers in the school year 1984-85, including information on the dates of departure, is not currently available. However, the number of school leavers over the whole year is provisionally estimated to be about 44,000. Of these, about 3 per cent. are estimated to have left in the autumn term, about 9 per cent. in the spring term with the remaining 88 per cent. leaving in the summer term.

Youth Training Scheme

Mr. Barry Jones asked the Secretary of State for Wales what is his estimate of the current number of unemployed school leavers who have completed a youth training scheme course.

Mr. John Stradling Thomas: The Manpower Services Commission does not have such information currently available.

Mr. Barry Jones asked the Secretary of State for Wales how much extra money will be made available in the current financial year for the two-year youth training scheme course in Wales in the financial year 1985-86; and if he will make a statement.

Mr. John Stradling Thomas: As my right hon. Friend the Secretary of State for Employment announced on 1 July, the expanded scheme will be introduced from 1 April 1986. Some £125 million extra money will be made available on a Great Britain basis in 1986-87 and some £300 million extra in 1987-88. Detailed allocations will depend on the distribution of places by the Manpower Services Commission with advice from area manpower boards, taking account of need. Employers will also be contributing to the costs of the expanded scheme.

Training

Mr. Barry Jones asked the Secretary of State for Wales how many mode B training schemes there are for the current 1984-85 year; how many there were in 1983-84; and how many are proposed for 1985-86.

Mr. John Stradling Thomas: Provision of mode B places is based on assessments made by area manpower boards taking account of expected need. One hundred mode B schemes have been approved in Wales for 1985-86 and at 31 May there were 5,019 young people in training on these schemes. In 1984-85 6,002 young people were trained on 102 mode B schemes. Comparative figures for 1983-84 were 6,190 trainees and 104 schemes.

Hospitals Beds

Mr. Barry Jones asked the Secretary of State for Wales if, for each of the years 1973 to 1984, he will provide such information as is available as to the number of hospital beds in each Welsh health authority region which were *(a)* closed as a result of complete hospital closure, *(b)* closed in hospitals which were not completely closed, *(c)* provided as a result of new hospital openings and *(d)* provided as a result of additions to existing hospitals.

Mr. Nicholas Edwards: I shall reply to the hon. Gentleman as soon as possible.

NORTHERN IRELAND

School Meals

Mr. Archer asked the Secretary of State for Northern Ireland how many school meals are provided daily in Northern Ireland; how many of them are provided free; how many school meals are provided in Northern Ireland per area board, per primary school and per secondary school; how many free school meals are provided per area board, per primary school and per secondary school; and if he will make a statement on the effect of the proposed changes in social security legislation on the provision of free school meals.

Mr. Scott: The available information is as follows (based on a day in October 1984).

	Belfast board area	*Southern board area*	*North Eastern board area*	*South Eastern board area*	*Western board area*	*North Ireland*
Primary schools						
Meals provided	15,052	24,532	18,603	12,738	23,820	94,745
Free meals	9,742	14,246	10,438	5,980	15,056	55,462
Secondary schools						
Meals provided	12,056	16,024	14,403	8,135	15,733	66,351

	Belfast board area	Southern board area	North Eastern board area	South Eastern board area	Western board area	North Ireland
Free meals	7,172	9,308	8,237	3,744	10,051	38,512
Total meals provided	27,108	40,556	33,006	20,873	39,553	161,096
Total free meals	16,914	23,554	18,675	9,724	25,107	93,974

The Green Paper on Social Security Reform proposes to replace supplementary benefit with income support and recipients of this new benefit would continue to be entitled to free school meals for their children. It is also proposed that family income supplement be replaced by family credit and the rates of such credit will be enhanced to provide extra cash instead of entitlement to free school meals.

Women Prisoners (Armagh)

Mr. Andrew F. Bennett asked the Secretary of State for Northern Ireland how many women prisoners were held on remand at Armagh prison in each of the following months: March 1985, April 1985, May 1985 and June 1985.

Mr. Scott: The information is as follows:

Women on Remand or awaiting trial March to June 1985

	Numbers
March	13
April	11
May	9
June	6

The above figures, which relate to the last Sunday in each month, include those detained in the young offenders centre.

Armagh Prison (Strip Searches)

Mr. McNamara asked the Secretary of State for Northern Ireland how many strip searches were made of female prisoners in Her Majesty's prison, Armagh, in June; if he will give the number of persons involved and the number of times each person was searched; whether any prison contraband, smuggled item or illegal correspondence was discovered in any search, indicating which items; in how many cases prisoners refused to be searched and had to be restrained while the search was being conducted; and if he will indicate the reasons for the search, namely, making an appearance at Armagh courthouse on remand, attending trial, inter-prison vist or other reasons.

Mr. Scott: During June 1985, a total of 53 searches were carried out on 21 prisoners; eight prisoners were searched once; nine were searched twice; three were searched three times; and a life sentence prisoner taking part in a pre-release programme was searched on 18 occasions. The latter prisoner was offered accommodation in a separate, self-contained unit of the prison, which would have obviated the need for the full reception search procedure, but she preferred to remain located with the other prisoners.

A quantity of tranquilliser tablets were found in the clothing of an inmate during a routine committal search. No prisoner refused to be searched.

Searches were carried out in the following circumstances:

	Numbers
First Admission on Remand and Awaiting Trial	4
First Admission on Sentence and Final Discharge	10
Attending Remand Courts (other than Armagh)	1
Attending Trial	2
Bail Court Appearances	3
Pre-release Programme	14
Home Leave Scheme	13
Compassionate Home Leave	6
Total	53

Maternity Units

Mr. Hume asked the Secretary of State for Northern Ireland (1) if he will make a statement on the future of the maternity unit in Strabane;

(2) if he will make a statement on the future of the maternity unit in Limavady.

Mr. Chris Patten: The provision of services at these two hospitals is a matter for the Western health and social services board in the first instance. I understand, however, that the board is in fact reviewing the future of the small general practitioner maternity units at both hospitals in the light of the current policy for obstetric services. No decisions have yet been made about the future of the units and no changes will be made without widespread consultations.

Labour Statistics

Mr. Hume asked the Secretary of State for Northern Ireland what is the current level of unemployment in Strabane; and what measures he proposes to take to seek to reduce it.

Dr. Boyson: I shall reply to the hon. Gentleman as soon as possible.

Pensioners

Mr. Hume asked the Secretary of State for Northern Ireland what is the current number of pensioners in Northern Ireland by sex and by five-year age groups.

Mr. Chris Patten: I shall reply to the hon. Gentleman as soon as possible.

Mr. Hume asked the Secretary of State for Northern Ireland what information he has as to how many pensioners live alone, live with spouses, live with other relatives or are in residential care or sheltered accommodation, respectively.

Mr. Chris Patten: The information is not available in the form requested. The available information as at 31 December 1983 is as follows:

	Male	Female
(i) Persons Accommodated in Old People's Homes	921	2,347
(ii) Persons Accommodated in Voluntary and Private Old People's Homes	*290	*878
Total	1,211	3,225
Grand Total	4,436	

* Incomplete returns from the Eastern and Western Boards Areas.

Mr. Hume asked the Secretary of State for Northern Ireland what are the numbers of pensioners in receipt of housing benefit, detailing how many of those are also in receipt of supplementary benefit, broken down by convenient district unit.

Mr. Chris Patten: The information is not available in the form requested. The estimated total number of pensioners receiving housing benefit on 15 March 1985 was 84,000, including some 49,400 on supplementary benefit.

Mr. Hume asked the Secretary of State for Northern Ireland how many pensioners in Northern Ireland receive reduced pensions because they are in receipt of private pensions or other incomes.

Mr. Chris Patten: I shall reply to the hon. Gentleman as soon as possible.

Housing Statistics

Mr. Hume asked the Secretary of State for Northern Ireland what information he has as to how many persons are *(a)* Housing Executive tenants, *(b)* living with Housing Executive tenants, *(c)* private tenants and *(d)* owner occupiers, respectively.

Mr. Chris Patten: This is a matter for the Northern Ireland Housing Executive but I understand from the chairman that the available information is as follows:

(a) 175,602 as at 31 March 1985.
(b) Up-to-date information is not available.
(c) Approximately 37,000 in 1984.
(d) Approximately 256,700 in 1984.

SCOTLAND

Assistance to Newspapers

Mr. Michael Forsyth asked the Secretary of State for Scotland how much financial assistance the Highlands and Islands Development Board has provided from public funds in support of newspapers; and if he will list the newspapers and the amounts involved in each case.

Mr. John MacKay: I shall reply to my hon. Friend as soon as possible.

Legal Aid

Mr. Dewar asked the Secretary of State for Scotland if he will give the average contribution payable by an applicant for civil legal aid in Scotland in the latest year for which figures are available and for the preceding three years.

Mr. Younger: The information is not available in the form requested. However the following table illustrates the contributions payable by assisted persons in the range of nil to over £250 in the Court of Session and the sheriff courts.

Percentage analysis of Contributions Payable

Year	Nil	£1-£50	£51-£00	£101-£50	Over £250
1980-81					
Court of Session	70	9	5	9	7
Sheriff courts	80	7	3	6	4
1981-82					
Court of Session	70	9	5	7	9
Sheriff courts	80	7	3	6	4
1982-83					
Court of Session	76	5	3	8	8
Sheriff courts	85	4	2	5	4
1983-84					
Court of Session	88	2	2	4	4
Sheriff courts	92	1	1	3	3

Mr. Dewar asked the Secretary of State for Scotland if he will give the total cost of legal aid in Scotland for the year to 31 March and for each of the three preceding years, together with the percentage increase in each year and the total number of cases dealt with under legal aid in the same years, both in total and percentage terms.

Mr. Younger: Details for the year to 31 March 1985 are not yet available. The information for the three preceding years is as follows:

Year	Total net cost of legal aid (excluding administration) £000	Per cent. increase in year Percentage	Total no. of cases for which accounts were paid	Per cent. difference in year Percentage
1981-82	18,767	40	110,490	+30
1982-83	26,893	43	120,393	+9
1983-84	29,118	8	112,951	−6

Mr. Dewar asked the Secretary of State for Scotland what is the present upper disposable income limit above which an applicant is ineligible for legal aid in civil proceedings in Scotland, together with the lower income

limit below which no contribution is payable and the upper capital limit; and if he will list the variations in these figures over the last three years.

Mr. Younger: The limits and the dates on which they came into operation are as follows:

	26 November 1984 £	*29 November 1983* £	*1 April 1983* £	*1 April 1982* £
Upper disposable income limit	5,155	4,925	4,720	4,440
Lower disposable income limit	2,145	2,050	1,965	1,850
Upper capital limit	4,710	4,500	4,000	2,725

Legal Advice and Assistance

Mr. Dewar asked the Secretary of State for Scotland if he will give the total cost of legal advice and assistance in Scotland for the year to 31 March, together with the comparable figures for the last three years and the average cost for each application in each of these years.

Mr. Younger: Details for the year to 31 March 1985 are not yet available. The information for the three preceding years is as follows:

	Total cost of legal advice and assistance (excluding administration) £000	*Total no. of cases for which accounts were paid*	*Average cost per case* £
1981-82	2,478	58,421	42·42
1982-83	2,706	60,136	45·00
1983-84	3,845	86,140	44·64

Mr. Dewar asked the Secretary of State for Scotland what was the number of applications for legal advice and assistance in Scotland in the years 31 March 1983 to 31 March 1984, and 31 March 1984 to 31 March 1985, respectively; in what percentage of cases the applicant had no contribution to pay; how many applications were made for authority to incur expenditure in excess of the initial limit; and how many such applications were granted, both in numbers and as a percentage of all legal advice and assistance cases.

Mr. Younger: Details for the year to 31 March 1985 are not yet available. In 1983-84, 131,173 applications were approved. In 39,890 cases an application was made for authority to incur expenditure in excess of the initial limit and 37,352 were granted, 28 per cent. of all applications approved.

In 90 per cent. of the 86,140 cases in which separate accounts for legal advice and assistance were paid in 1983-84 the client had no contribution to pay.

ENERGY

Wave Energy

Mr. Rost asked the Secretary of State for Energy if he will publish the report, presented to Energy Technology Supply Unit last January by Dr. Peter White of Lanchester Polytechic, on the cost estimates of wave energy.

Mr. David Hunt: Copies of Dr. White's report have been placed in he Libraries of the Houses of Parliament, and are also available on request from the energy technology support unit at Harwell.

Nuclear Reactors

Mr. D. E. Thomas asked the Secretary of State for Energy what was the average burn up, in MWd/te, of the spent fuel discharged from each of the Central Electricity Generating Board's Magnox reactors for the fiscal year 1982-83.

Mr. Goodlad: The expected average burnup corresponding to Magnox fuel cycles in 1982-83 was published in the supplement to the August 1983 edition of Nuclear Engineering International. I have nothing further to add to the answer I gave on 5 July 1985 at column *308*.

PRIME MINISTER

Sports Stadiums (Safety)

Mr. Greenway asked the Prime Minister if Her Majesty's Government will allocate additional public funds to meet the cost of improving safety at sports stadiums such as greyhound race tracks.

The Prime Minister: Considerations of funding safety improvements at sports stadiums are being taken forward in the Minister with responsibility for sport's working group, which I established after the Bradford fire. It is too early to say what conclusions will be reached; information is awaited from the Chief Fire Officer's inspections and Mr. Justice Popplewell's inquiry.

GCHQ Cheltenham

Mr. Dalyell asked the Prime Minister if Her Majesty's Government will refrain from taking any action regarding transfer of staff from the Government communications headquarters, Cheltenham, until such time as a judgment has been forthcoming from the European Commission on Human Rights.

The Prime Minister: No. The judgment of the House of Lords on 22 November 1984 completed the domestic legal process and confirmed that the revised terms and conditions of service introduced at the Government communications headquarters last year are valid. Those conditions of service are now in force and staff who do not wish to accept them will, in accordance with the notice issued on 25 January 1984, be offered alternative employment in the Home Civil Service or, if this is not available, premature retirement on redundancy terms.

Steel Industry

Mr. Michael Forsyth asked the Prime Minister (1) to what extent Her Majesty's Government propose to take

account of the advice of the management of the British Steel Corporation in taking a decision about the future of the steel industry; and if she will make a statement;

(2) if she will make it the policy of Her Majesty's Government not to take any decision on the future of the steel industry until the British Steel Corporation's corporate plan has been considered by Ministers; and if she will make a statement.

The Prime Minister: The Government will take full account of BSC management's views in taking any decisions on the future of the steel industry. The Corporation's views are not exclusively embodied in corporate plans.

FOREIGN AND COMMONWEALTH AFFAIRS

Terms of Transfer

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs if he will set out the terms of transfer offered to employees of the Government communications headquarters, Cheltenham, by Mr. Albert Nicholls of the Whitehall staff transfer unit.

Mr. Renton: A general notice (GN 100/84) issued to all staff at GCHQ, explained that for staff electing to leave GCHQ, the Department would try to arrange a level transfer within the Home Civil Service and the normal rules relating to reimbursement of expenses on transfer would apply.

National Identity Cards

Rev. Martin Smyth asked the Secretary of State for Foreign and Commonwealth Affairs which member countries of the EEC at present have a system of national identity cards; and if he will publish in the *Official Report* a list of these countries and the year in which they first adopted an identity card system.

Mr. Renton: National identity cards are in use in Belgium, France, the Federal Republic of Germany, Greece, Italy and Luxembourg. Information as to the date from which national identity cards were first adopted in these countries is not readily available. I will however obtain it and write to the hon. Member.

HOME DEPARTMENT

Metropolitan Police

Mr. Tom Cox asked the Secretary of State for the Home Department what is the present number of ethnic minority members of the Metropolitan police and the rank that they hold.

Mr. Giles Shaw: On 30 June 1985 there were 269 officers from the ethnic minorities in the Metropolitan police: two inspectors, 26 sergeants and 241 constables.

Prisons

Mr. Corbett asked the Secretary of State for the Home Department whether he plans to make use of military establishments to house convicted prisoners after the total prison population exceeds 48,000.

Mr. Mellor: No. But the Department has contingency plans for various circumstances and the possible use of service camps features in them.

Mr. Tom Cox asked the Secretary of State for the Home Department if he will list those prisons in the United Kingdom which have been visited by members of the staff of the Chief Inspector of Prisons; and if he will place a copy of each report that has been published in the Library.

Mr. Mellor: All but 10 establishments in England and Wales have been visited, 67 for the purpose of a full inspection. The 10 exceptions, the first seven of which will be inspected during 1985, are:

Her Majesty's Prison
Ashwell
Kingston
Winchester
Wayland

Her Majesty's Detention Centre
Blantyre House
Gringley
Medomsley

Her Majesty's Youth Correction Centre
Hatfield
Castington
Deerbolt

Inspection reports are placed in the Library at the time of publication.

Mr. Ed Kale

Mr. Alton asked the Secretary of State for the Home Department why Mr. Ed Kale was permitted to re-enter the United Kingdom in 1985.

Mr. Waddington: A person is admitted to the United Kingdom if he qualifies for entry under the immigration rules.

Terrorism

Mr. Proctor asked the Secretary of State for the Home Department if he will institute an index or register of known terrorist groups and individuals; and if he will make a statement.

Mr. Brittan: Careful arrangements are made to ensure that information about known terrorist groups and known terrorists is available to those who need to know it, including, where appropriate, foreign Governments with whom we are co-operating in the fight against international terrorism.

Crossbows

Mr. Dickens asked the Secretary of State for the Home Department if he will introduce legislation to ban the sale of crossbows; and if he will make a statement.

Mr. Giles Shaw: My right hon. and learned Friend has no plans to do so. Crossbows and other weapons not subject to specific controls are already covered, so far as misuse of them is concerned, by existing provisions of the law.

Prison Officers' Association

Mr. Tom Cox asked the Secretary of State for the Home Department when he last met the officers of the Prison Officers' Association; what subjects were discussed; and if he will make a statement.

Mr. Mellor: My right hon. and learned Friend last met officers of the Prison Officers' Association on 21 May

when he addressed their annual conference. A copy of the text of his speech is in the Library. Before that, he met representatives of the Associations' National Executive Committee on 7 May.

Rule 43

Mr. Tom Cox asked the Secretary of State for the Home Department if he will list the number of prisoners who have been subject to rule 43 for over one year, two years, three years, four years and five years, respectively.

Mr. Mellor: The number of sentenced prisoners in England and Wales who were segregated under prison rule 43 for their own protection or for reasons of good order or discipline for the periods in question (as at 31 January 1985, the latest date for which figures are available) was as follows:

	Own protection	*Good order or discipline*
1-2 years	22	4
2-3 years	5	—
3-4 years	3	—
4-5 years	—	—
Over 5 years	—	1

No women have been subject to rule 43 for longer than 1 year. Information is not kept centrally on the segregation of unconvicted prisoners.

Electoral Register (Advertising)

Mr. Dobson asked the Secretary of State for the Home Department what publicity he intends to fund, in the way of advertising in national or local newspapers, in respect of the compilation of the electoral register for 1986-87.

Mr. Mellor: A publicity campaign will be mounted later this year to coincide with the annual canvass for the 1986 electoral register. Advertisements will appear in the national and ethnic press and on independent local radio stations throughout the country. These will emphasise the need for all those eligible to ensure that their names are included in the electoral registration return, form A, so that they do not lose the right to vote at any elections held during the life of the 1986 register.

Cable Broadcasting (Listed Events)

Mr. Sims asked the Secretary of State for the Home Department whether he has yet drawn up a list of events for the purposes of section 14 of the Cable and Broadcasting Act 1984; and if he will make a statement.

Mr. Brittan: After consultation with the broadcasters, the cable interests and the Sports Council, I have drawn up the following list for the purposes of section 14:

The Commonwealth Games when held in the United Kingdom
Cricket Test Matches involving England
The Derby horse race
The FIFA World Cup Finals
The Football Association Cup Final
The Grand National horse race
The Olympic Games
The Oxford and Cambridge Boat Race
The Wimbledon Tennis Championships

Additionally in Scotland, the Scottish Football Association Cup Final

This list follows closely that previously maintained by the broadcasters in relation to those events for which exclusive rights have by agreement not been sought in the past. The only additions are the inclusion of the FIFA world cup finals and the qualification "involving England" in relation to cricket test matches.

Prison Employment

Mr. Wheeler asked the Secretary of State for the Home Department whether he has any plans for changing the pattern of employment for prison inmates.

Mr. Corbett asked the Secretary of State for the Home Department how many prison workshops it is planned to close in the next year and next two years; and what are the estimated savings in cost and staff.

Mr. Brittan: Following my announcement to the House on 31 October 1984 about the control, management and policies of prison service industries and farms at column 987, I asked the Prisons Board to examine how far prison industries are making a satisfactory contribution to providing worthwhile employment for prison inmates. The Prisons Board found that in many cases resources could be deployed to better effect. A considerable number of workshops had ceased to provide sufficient employment to be worth retaining; a small number no longer had a market for the goods they produced; others had more staff than justified by the present number of inmates employed.

In the light of the Prisons Board's preliminary analysis, I have asked the prison department to examine on the ground how the present network of industrial workshops could be rationalised, while retaining the existing level of work and related activity for inmates. When I am satisfied that arrangements for alternative worthwhile activity have been made the process of rationalisation will be implemented. Staff will be redeployed in a more effective way wherever possible, both within existing establishments and in some cases at the new prison establishments under construction which will provide some 1,800 new industrial work places for inmates and will require around 130 additional staff to man the workshops.

The workshops under review are open on average for only about 11 hours a week, and in many cases provide only simple and repetitive tasks with few training or learning opportunities for inmates. The review offers the opportunity to deploy the considerable resources voted by Parliament to better effect, while ensuring that inmates are occupied on purposeful activity outside their cells for no less time than at present.

This review does not apply to workshops in dispersal prisons, which have been under separate examination. Every opportunity is being taken to promote their more effective use.

A copy of a detailed statement by the Director General of the Prison Service explaining to staff the nature and purpose of the review has been placed in the Library.

Prison Workshops

Mr. Tom Cox asked the Secretary of State for the Home Department what is the number of prison workshops that are at the present time fully working at each of the prisons in the United Kingdom.

Mr. Mellor: Two hundred and ninety-four workshops were in operation in prison establishments in England and Wales for all or part of the working week ended 26 May 1985, the most recent date for which information is available.

Dog Fouling

Mr. Sims asked the Secretary of State for the Home Department if he is in a position to announce details of the pilot scheme to test new byelaws to reduce the nuisance of dog fouling.

Mr. Mellor: The details of the scheme have now been settled. The new byelaws will make it an offence for a person in charge of a dog to fail, without reasonable excuse, to remove any faeces deposited by the dog on designated footpaths, grass verges and recreation grounds. The penalty will be a fine of up to £100. Registered blind persons will be exempt from the byelaws. Four local authorities have been selected to take part in the scheme. Rochester upon Medway city council, Gosport borough council and the London borough of Barking and Dagenham have recently adopted byelaws for this purpose and North-West Leicestershire district council is in the process of doing so. Subject to considering any objections which may be received from the public my right hon. and learned Friend the Home Secretary proposes to confirm these byelaws and they will come into operation on Monday 2 September 1985. In conjunction with the local authorities concerned the Home Office will then carefully monitor the project for 12 months and if, as we hope, the byelaws prove effective we intend to offer them as models for adoption by other local authorities.

SOCIAL SERVICES

Neonatal Nurses

Mr. Pavitt asked the Secretary of State for Social Services if he will take steps to remedy the shortage of trained neonatal nurses.

Mr. Kenneth Clarke: It is for health authorities to decide, in the light of local needs and priorities and the resources available to them, how many nurses and midwives they should employ who have received training in the special and intensive care of the newborn and how many trainees they should recruit to meet those needs.

Limited List Prescribing

Dr. Twinn asked the Secretary of State for Social Services what progress he has made in setting up a committee to keep the selected list of drugs under review.

Mr. Fowler: Before the selected list of NHS drugs was introduced last April, I made clear that we would want to keep the contents of the list under regular professional review. The new advisory committee on NHS drugs, which we are today establishing, will help us to do that. The committee has been set up following consultation with the main professional bodies concerned and with the pharmaceutical industry. It contains many of the people who advised on the original selected list but it has been extended to include members from Scotland, Wales and Northern Ireland and from some other branches of the professions suggested to us.

Its terms of reference are

"To advise the United Kingdom Health Ministers about the composition of Schedules 3A and 3B to the National Health Service (General Medical and Pharmaceutical Services) Regulations 1974, and the corresponding schedules in the Regulations in Scotland and Northern Ireland (except those items which are in Schedule 3A because the Advisory Committee on Borderline Substances has advised that they are not considered drugs in the circumstances of general practice) in order that drugs to meet all real clinical needs at the lowest possible cost to the National Health Service are available under the National Health Service in the following categories: mild to moderate painkillers, indigestion remedies, laxatives, cough and cold remedies, vitamins, tonics and benzodiazepine sedatives and tranquillisers."

Its membership comprises:

Chairman

Dr. Edmund Harris, Deputy Chief Medical Officer, Department of Health and Social Security.

Hospital Consultants

Mr. Norman Badham, Consultant ENT Surgeon, Leicester Royal Infirmary.

Professor Alasdair Breckenridge, Professor of Clinical Pharmacology, Liverpool.

Dr. Duncan Colin Jones, Consultant Physician (Gastroenterology), Portsmouth.

Professor Malcolm Hodkinson, Professor of Geriatric Medicine, London.

Professor Eric Stroud, Professor of Child Health, London.

Professor Malcolm Lader, Professor of Psychopharmacology, London.

Dr. James Moore, Consultant Anaesthetist, Belfast.

General Practitioners

Dr. John Callander, General Practitioner, Scotland.

Dr. Stuart Carne, General Practitioner, London.

Dr. John Lynch, General Practitioner, North Wales.

Dr. David Smith, General Practitioner, Northallerton.

Pharmacists

Dr. David Ganderton, Professor of Pharmaceutics (designate), King's College, London.

Mr. David Coleman, Retail Pharmacist, Norwich.

Dentist

Professor Roderick Cawson, Head of Oral Medicine and Pathology, Guy's Hospital, London.

The Committee will have an important part to play in ensuring that the selected list is kept up to date—by considering new drugs which become available and whether those on the list still represent the best value for money—and in dealing with any concerns which arise about the operating of the list itself. The Committee will have its first meeting on 23 July and among its first priorities will be to look at products, such as mucolytics, on which representations have already been made.

I am grateful to those who have agreed to serve on the Committee for their help in this important task.

Nurses

Mr. Campbell asked the Secretary of State for Social Services if he will provide a breakdown of the present average wage of a student nurse according to each of the three stages of training, such information including basic pay and overtime payments.

Mr. Kenneth Clarke: We do not hold this information centrally.

Feverfew

Mr. Rost asked the Secretary of State for Social Services if his Department has studied the work being carried out at the City hospital, Nottingham, into the therapeutic properties of the herb, feverfew; and if he will make a statement.

Mr. Kenneth Clarke: Yes, we have seen the report of this work in *The Lancet* of 11 May 1985. We welcome any steps taken in the scientific study of the effects of herbal products.

Mr. Rost asked the Secretary of State for Social Services if he will take steps to ensure that the manufacture of the herb feverfew will not be restricted as part of his Department's review under schedule 4 of statutory instrument No. 41 of 1978.

Mr. Kenneth Clarke: There are no feverfew medicinal products subject to review under the Medicines Act. If we received and granted an application for a new product licence, the claims made in promotional literature would have to be consistent with the terms of the product lience. Any restrictions in a licence on advertising would depend on the claims made for the product and the data submitted in support of those claims.

Board and Lodging

Mr. Sean Hughes asked the Secretary of State for Social Services how many cases of alleged hardship have been brought to his Department's attention involving young people in the Huyton and Prescot area as a result of the new board and lodging rules.

Mr. Whitney: I understand that the local offices concerned have received some enquiries about the exemption categories and one appeal against a determination made under the new rules.

Mr. Sean Hughes asked the Secretary of State for Social Services what is the average reported delay in the transfer of relevant papers between benefit offices dealing with the claims of young people under the board and lodging rules.

Mr. Whitney: This information is not readily available and could be obtained only at disproportionate cost. We are not aware of any serious delays but if the hon. Member has any particular case in mind perhaps he would let me know.

Mr. Sean Hughes asked the Secretary of State for Social Services what is the average payment and average length of time for which benefit is claimed under the board and lodging rules in the Huyton and Prescot area.

Mr. Whitney: This information is not readily available and could be obtained only at disproportionate cost.

Mr. Sean Hughes asked the Secretary of State for Social Services how many cases have been brought to his Department's attention, both nationally and in the Huyton and Prescot area, of young people awaiting payment under the new board and lodging rules for over a month.

Mr. Whitney: We are not aware of any such cases.

Mr. Sean Hughes asked the Secretary of State for Social Services how many cases have been brought to his Department's attention, since the introduction of the new board and lodging rules, of young people being ruled ineligible for single payments for furniture both nationally and in the Huyton and Prescot office; and if he will list the various reasons given.

Mr. Whitney: No information is collected locally or nationally on the reasons for refusal of any type of single payment. We are not aware of any case brought to the attention of the Department where, as a consequence of the introduction of the new board and lodging rules, a young person has been ruled ineligible for a single payment for furniture.

Single Payments

Mr. Sean Hughes asked the Secretary of State for Social Services what is the policy of his Department regarding single payments for furniture to young people who obtain tenancies of unfurnished accommodation.

Mr. Whitney: Our policy on single payments for furniture to young people who obtain tenancies of unfurnished accommodation has regard, among other factors, to how recently the claimant has become a tenant, the reasons for leaving the previous address, the health of the claimant and any dependants, the length of time the claimant has been in receipt of supplementary benefit and the availability of suitable alternative furnished accommodation.

Invalidity Benefit

Mr. Sean Hughes asked the Secretary of State for Social Services in what circumstances a local office of his Department may stop the payment of invalidity benefit to a claimant.

Mr. Whitney: Questions about entitlement to social security benefits are for determination by the independent adjudication officers appointed under the Social Security Act 1975.

Entitlement to invalidity benefit may cease or be suspended for the following reasons: medical evidence that the claimant is no longer incapable of work; the award of an overlapping social security benefit; late claim to benefit; permanent absence abroad; earnings above the therapeutic earnings limit; imprisonment or detention in legal custody; incapacity due to the claimant's own misconduct; failure to attend or submit to examination or treatment; failure to observe the prescribed rules of behaviour during the period for which benefit is claimed; death of the claimant.

Mr. Sean Hughes asked the Secretary of State for Social Services on how many occasions in the past year the Huyton and Prescot office of his Department has stopped the payment of invalidity benefit to claimants; and if he will list the reasons involved.

Mr. Whitney: I regret the information is not available. If the hon. Member has a particular case in mind, perhaps he would write to me.

Mr. Sean Hughes asked the Secretary of State for Social Services if he will give the number occasions on which payments of invalidity benefit to claimants have been stopped in the past year.

Mr. Whitney: In the 12 months up to 2 April 1983, the latest period for which figures are available, about 250,000 spells of invalidity benefit ended. Information on the reasons for termination is not available but the great majority will be because the claimant submitted a final doctor's statement certifying he was no longer incapable of work.

Child Benefit

Mr. Madel asked the Secretary of State for Social Services what representations he has received about the statement of the Minister for Social Security on 18 June, *Official Report*, column *162*, that child benefit will continue to be paid to the mother; and if he will make a statement.

Mr. Whitney: We are not aware of any repesentations following my hon. Friend's reply to the hon. Member for Ross, Cromarty and Skye (Mr. Kennedy) on this subject on 18 June at column *162*.

Private Medicine

Mr. Dobson asked the Secretary of State for Social Services in what circumstances a general practitioner may, on the advice of a consultant, prescribe medicines on the National Health Service to a patient on the general practitioner's list who has seen the consultant privately; and if he will make a statement.

Mr. Kenneth Clarke: A general medical practitioner may issue a National Health Service prescription to a patient on his list for any drug which he believes to be clinically necessary and which is available under the National Health Service.

Mr. Dobson asked the Secretary of State for Social Services (1) whether, barring exceptional circumstances, a patient may have a private consultation, followed by free access to National Health Service diagnosis, followed by further private consultations or treatment, in the same medical episode;

(2) in what cirumstances a patient is permitted to transfer from private to National Health Service status for financial reasons;

(3) in what circumstances a patient who undergoes a private operation may receive subsequent treatment or care, in the same medical episode, as a National Health Service patient using National Health Service hospital facilities;

(4) in what circumstances a patient admitted to a National Health Service hospital following deterioration in a private hospital is admitted other than as a private patient, where the National Health Service hospital has private inpatient authorisations and where any quota of pay-beds would not be exceeded thereby.

Mr. Kenneth Clarke: Our existing guidance to health authorities in part II of HC(82) 7 states, with respect to resident patients:

"Patients who enter hospital as private resident patients should not later be allowed to transfer to NHS status except in very exceptional circumstances where the administrator and clinician responsible agree there is evidence of a significant and unforeseen change in circumstances, for example where a patient entering for a minor operation is found to be suffering from a different, more serious complaint."

and, with respect to non-resident patients:

"Once a patient elects to attend an NHS hospital as a private non-resident patient for a particular medical episode then all services (diagnostic and treatment) used by that patient during that out-patient sequence should be provided on a private patient basis with the appropriate charges being levied. Should exceptionally such a patient, eligible for NHS services, wish to discontinue as a private patient, after consultation then the charge for consultation should be levied and he should seek access to NHS out-patient facilities as an NHS patient in the usual way."

There has nevertheless been some confusion about the circumstances in which private patients may change their status to that of National Health Service patients, and we intend to issue revised and consolidated guidance which clarifies this and other aspects of the management of private practice.

Medical Episode

Mr. Dobson asked the Secretary of State for Social Services (1) whether his Department defines as a single medical episode a patient's pregnancy, including any tests or treatment arising therefrom, and also her subsequent childbirth;

(2) whether his Department defines a medical episode as including all consultation, diagnosis and treatment during a patient's illness;

(3) whether his Department defines a medical episode as including *(a)* foreseeable complications and *(b)* unforeseeable complications following treatment, respectively.

Mr. Kenneth Clarke: There is at present no formal definition of a medical episode. For statistical purposes, inpatients are counted on discharge from a hospital. Inpatient discharges (including deaths) are normally referred to as inpatient cases and each case covers the continuous stay by a patient in one hospital. The health services information group has recommended in its first report that information about specialty activity should be in terms of consultant episodes and not hospital stays. The group defines a consultant episode as the time a patient spends continuously in the care of one consultant in the same district health authority while occupying a hospital bed. We have asked health authorities to plan on the basis that the recommendations in the first report should be implemented by April 1987.

Family Income Supplement

Mr. Barry Jones asked the Secretary of State for Social Services how many self-employed people in Wales were in receipt of family income supplement at the latest date for which figures are available.

Mr. Whitney: At the end of April 1985, the latest date for which figures are available, there were about 2,000 self-employed families in Wales receiving family income supplement.

NHS (Property Sales)

Mr. Knox asked the Secretary of State for Social Services if he will make a statement regarding the use of resources released by the sale of surplus or redundant Health Service property with particular reference to mental institutions.

Mr. Kenneth Clarke: The Government recognise that property represents one of the National Health Service's most valuable assets and must be managed efficiently in order to maximise the resources available for improvements in services to patients.

We now require Health Authorities to review regularly their property holdings and to identify for re-use or disposal those properties which are no longer required for their original purpose. Except in special circumstances, for example, where the disposal is made possible only by the provision of a new hospital from regional funds, funds released from the sale of surplus property should be

retained by the local district health authority where they can be used for the benefit of local patients. We expect resources from the disposal of redundant mental hospitals to be used to develop better community based services for mentally ill patients and mentally handicapped people of the districts previously served.

District Health Authorities (Appointments)

Mr. Batiste asked the Secretary of State for Social Services whether he will make a statement concerning his consultations with local authority associations on proposals for changes in the procedures governing the termination of local authority appointments to district health authorities.

Mr. Kenneth Clarke [*pursuant to his reply*, 23 January 1985, c. *458*]: An amendment to Regulation 5(3) of the National Health Service (Regional and District Health Authorities Membership and Procedure) Regulations 1983, requiring local authorities to obtain the consent of the Secretary of State for Social Services to the early termination of an appointment to a district health authority will be laid before the House on 16 July. Our officials have written to the local authority associations today informing them of this decision. Copies of the letter have been placed in the Library.

DEFENCE

Tornado Aircraft

Mr. Robert Atkins asked the Secretary of State for Defence when he expects to make a decision on the attrition purchase of Tornados for the Royal Air Force.

Mr. Butler: I hope a decision will be taken by the end of the summer.

RAF Personnel (Records)

Mr. McNamara asked the Secretary of State for Defence why the details of Royal Air Force airmen's records of service provided for the Director General of Defence Accounts, Worcester, by PMC Innsworth for the awards calculation are taken from personnel files and not from the computer at Innsworth.

Mr. Lee: The RAF personnel management centre provides Director General of Defence Accounts staff at Worcester with service details drawn from both computer and personnel file sources because some information that is needed to assess pensions is not yet shown on the relevant computer print. There are plans to make more use of computers in assessing RAF pensions.

Service Pensions

Mr. McNamara asked the Secretary of State for Defence what steps his Department has taken to check Army pension awards.

Mr. Lee: Routine checks of Army pension awards in issue are carried out by the Army pensions office as a matter of normal procedure. Special checks are also carried out from time to time. A special check has recently been carried out on some 8,800 Army pensions. The possible need for further similar checks is under consideration.

Mr. McNamara asked the Secretary of State for Defence whether the recently acknowledged 147 errors in service pensions relate solely to Royal Navy or Royal Marines awards; and if he will make a statement.

Mr. Lee: No; of the 147 errors, 52 relate to Royal Navy and Royal Marine pensions, 91 to Army pensions and four to RAF pensions.

Mr. McNamara asked the Secretary of State for Defence whether errors have been discovered in Army pensions since his answer of 15 April, *Official Report*, column 65; and if he will make a statement.

Mr. Lee: Since 15 April two cases have been discovered involving a significant error in the rate of pension in issue and corrective action is being taken. These were isolated cases which did not arise from any general defect in the system in use.

Mr. McNamara asked the Secretary of State for Defence whether errors in Royal Air Force pensions have been discovered on computerised records at Innsworth since his answer of 15 April, *Official Report*, column 65; and if he will make a statement.

Mr. Lee: None has been discovered.

Optical Equipment

Mr. Gordon Brown asked the Secretary of State for Defence what is the current value of his Department's order for optical equipment for the armed forces.

Mr. Butler [*pursuant to his reply*, 24 June 1985, c. *291*]: During the Financial Year 1984-85, direct headquarters contracts and amendments to a value of nearly £38 million were placed for equipment classified under the code 373 (optical precision instruments and photographic equipment) of the standard industrial classification. Other optical equipment is classified under a SIC code for electronic equipment and cannot be separately identified.

AGRICULTURE, FISHERIES AND FOOD

Dairy Products

Mr. Corbett asked the Minister of Agriculture, Fisheries and Food (1) what is the anticipated extra cost, to the United Kingdom and the European Community, of the decision taken by the Commission's dairy management committee on 13 June to increase the export subsidy on butter and other dairy products;

(2) what is the estimated extra tonnage of butter and other dairy products which the European Community expects to export as a result of the decision of the Commission's dairy management committee on 13 June to increase the export subsidy on butter and other dairy products.

Mr. MacGregor: Forecasts of the kind requested are not available. However, for the calendar year 1985 the Community budget provides for expenditure of 747 million ecu (£464 million) on export refunds on butter and butter oil at an estimated export volume of about 500,000 tonnes in butter equivalent. In the frist half of 1985 EEC exports of butter were depressed because the EEC offer prices have been well above prices obtaining on the world market. In proposing the recent increases in export refunds

to the Management Committee for Milk and Milk Products on 13 June, the Commission said that these increases could be funded from within the existing budgetary provision.

Mr. Corbett asked the Minister of Agriculture, Fisheries and Food what, for each year since its introduction, has been *(a)* the amount and *(b)* the cost of export subsidies on butter and other dairy products by category provided by the European Community.

Mr. MacGregor: Not all the data are readily available in the form requested. For the period since 1973 the data available on the tonnage of butter and butter oil and of the other main dairy products exported from the European Community, together with the expenditure on all dairy product export refunds, are set out in the following tables:

Table 1
Exports from EC to Third Countries (Product Volumes)

'000 tonnes

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Butter and Butter Oil* (in Butter equivalent)	359	113	66	156	270	253	500	590	520	400	331	†415
Skimmed Milk Powder	283	305	191	167	417	410	665	611	518	374	253	†465
Cheese	156	190	156	144	177	173	214	282	311	331	358	—
Other main milk products:												
Cream	4	11	13	19	8	11	0	4	13	3	1	—
Whole Milk Powder	219	222	234	259	366	367	416	577	600	525	—	—
Processed Cheese	—	—	—	94	94	96	112	114	93	113	—	—
Fresh Product (excluding Cream)	—	—	—	—	—	—	—	153	196	199	221	—
Condensed Milk	340	352	272	358	449	413	423	500	556	573	462	—

Source: Eurostat (Cronos).
Figures not available have been marked —.
* Includes exports as food aid.
† Commission estimate.

Table 2
FEOGA Guarantee Expenditure on Milk and Milk Products

Export Refunds	*MUA* 1973	1974	1975	1976	1977	1978	1979	*MECU* 1980	1981	1982	1983	1984
Butter and Butter Oil*	328·1	343·8	328·5	697·4	1,236·9	1,313·5	2,087·9	2,745·8	1,886·3	1,521·3	436·4	494·8
SMP*											102·9	231·5
Cheese											242·1	378·6
Other Milk Products											434·6	621·5

* Includes expenditure on export refunds on dairy products exported as Food Aid.
Source: EC Commission FEOGA Financial Reports.

Moulton Veterinary Inspection Centre

Mr. Freeman asked the Minister of Agriculture, Fisheries and Food what representations he received during the consultation period concerning proposed closure of the Moulton veterinary inspection centre.

Mr. Jopling: I have received 96 representations specifically about the centre at Moulton.

Food (Aluminium Colouring)

Mr. Waller asked the Minister of Agriculture, Fisheries and Food (1) if he will introduce regulations to prohibit the sale of food products containing aluminium colouring, except where it is used for the purpose of cake decoration;

(2) what representations he has received alleging danger to dialysis patients of consuming foods containing aluminium colouring.

Mr. Jopling: The Colouring Matter in Food Regulations 1973 prohibits the use of aluminium in food in the United Kingdom other than for the external coating of dragees and the decoration of sugar coated flour confectionery. The food advisory committee, which advises Ministers on the use and safety of food additives, is reviewing the levels and uses of colours, including aluminium, in foods. Although no specific representations have been received on the subject the effect of aluminium in dialysis patients has been taken into account by the committee on toxicity of chemicals in food, consumer products and the environment in advising the food advisory committee on the safety of aluminium in food.

Sugar

Mr. Marlow asked the Minister of Agriculture, Fisheries and Food if he will compare the European Economic Community price of sugar with that on the world market; and if he will make a statement including the cost to *(a)* the consumer and *(b)* the taxpayer of the current EEC sugar regime.

Mr. MacGregor [*pursuant to his reply*, 11 July 1985]: The European Community's effective support price for white sugar is currently 58·43 ecu/100 kg (£361·48/tonne). The London daily price for white sugar, which may be regarded as representative of the world price, was $US130 (£96·65) per tonne on 9 July 1985. The world sugar market is a residual and higly volatile one. Estimates of the cost of the current Community sugar regime to consumers could be attempted only by making hypothetical

assumptions about the policy which would be pursued in its absence. The cost to the Community budget of the sugar regime in 1984 is provisionally estimated as 406·2 million ecu (about 235 million), net of levies paid by Community sugar producers towards the costs of storage and surplus disposal.

EMPLOYMENT

Trade Unions

Mr. Batiste asked the Secretary of State for Employment what plans he has to introduce further reforms of the law affecting trade unions so as to provide additional protection for ordinary trade unionists against abuses by the union's officers.

Mr. Peter Bottomley: We are considering what further steps might be taken to carry forward our successful programme of trade union reform. Having embarked on our plan to give proper and effective rights to union members, we must ensure that these rights are fully developed, so that they provide the ordinary member with the protection that he is entitled to enjoy in a free society.

Youth Training Scheme

Mr. Deakins asked the Secretary of State for Employment if he will give a breakdown of the ethnic origin of people accepted for youth training schemes in the London borough of Waltham Forest.

Mr. Alan Clark: In the London borough of Waltham Forest, the number of entrants to the youth training scheme by ethnic origin for the three-month period April to June 1985 was as follows:

	Number
White	82
Black/African/Caribbean descent	12
Indian Sub Continent descent	9
Others	3
TOTAL	106

Disabled People

Mr. Hancock asked the Secretary of State for Employment how many registered disabled people have been unemployed in each year from 1978; and if he will give a breakdown by category of disability.

Mr. Alan Clark: The numbers of unemployed registered disabled people, broken down by category of disability, for each year from 1978 to 1982 are as follows. Figures are for April of each year. Comprehensive figures for all unemployed registered disabled people have not been available since the introduction of voluntary registration in October 1982.

Since then, the figures for unemployed registered disabled people registered for work at jobcentres, with no breakdown by category of disability, have been collected quarterly. The total figures over that period which are, of course, not directly comparable with those in the table are:

	Numbers
March 1983	73,004
March 1984	42,425
March 1985	31,890

Unemployed Registered Disabled People

Category of disability	*Year* 1978	1979	1980	1981	1982
Surgical					
Amputation					
One arm (including partial)	762	668	700	932	975
Both arms (including partial)	51	38	39	59	59
One leg (including partial)	960	853	833	1,077	1,129
Both legs (including partial)	87	60	66	100	81
Multiple	31	31	37	54	48
Injuries to head, face, neck, throat	737	694	671	803	796
Injuries to thorax, abdomen, pelvis, trunk	1,092	958	818	948	908
Diseases, injuries, deformities lower limb	6,463	5,832	5,702	7,419	7,954
Diseases, injuries, deformities upper limb	3,870	3,500	3,305	4,292	4,598
Paraplegia	758	732	755	920	1,001
Spinal curvatures, disc, lesions etc.	9,061	8,143	7,737	9,636	10,366
Tuberculosis (non-pulmonary)	252	215	157	203	227
Medical					
Arthritis, rheumatism	3,093	2,784	2,651	3,170	3,448
Diseases of the digestive system	2,521	2,172	1,954	2,083	2,036
Diseases of the genito-urinary system	533	492	427	600	626
Diseases of the heart, circulatory system	7,768	6,849	6,481	7,728	7,883
Pneumoconiosis	215	176	158	191	166
Chronic bronchitis, asthma	6,952	5,890	5,312	5,890	5,729
Diseases of the skin	803	678	649	744	822
Epilepsy	4,192	3,895	4,027	4,742	5,182
Disseminated sclerosis, hemiplegia	2,046	1,808	1,776	2,117	2,336
Tuberculosis (pulmonary)	982	793	683	704	694
Mental disorders					
Psychoneurosis	3,508	3,223	2,992	3,176	3,072
Psychoses, schizophrenia, paranoia	2,179	1,997	1,974	2,052	1,998

Category of disability	Year				
	1978	1979	1980	1981	1982
Mental sub-normality	3,270	3,094	3,127	3,593	3,647
Others					
Deaf without speech	586	480	561	835	947
Deaf with speech	601	526	554	823	925
Hard of hearing	1,078	976	1,062	1,358	1,453
Blind	864	833	788	914	929
Partially sighted	2,938	2,645	2,577	3,207	3,593
Miscellaneous, including diabetes	2,512	2,565	2,495	3,054	3,317
TOTAL	70,765	63,600	61,068	73,424	76,939

Dependant Care (Paid Leave)

Mr. Alex Carlile asked the Secretary of State for Employment if he has any plans to seek to introduce a statutory right to paid leave of absence from work for persons who have to look after seriously ill dependants, including elderly parents; and if he will make a statement.

Mr. Peter Bottomley: The Government firmly believe that matters such as these are best dealt with between employers and employees according to their own needs, priorities and circumstances, rather than by Government or Community intervention. The question of such leave, of course, is presently being discussed in Brussels under the draft EC directive on parental leave and leave for family reasons.

Labour Statistics

Mr. Ralph Howell asked the Secretary of State for Employment what conclusions he draws from the extent of correlation between the number of persons currently classified as unemployed and the number registered as available for work at a jobcentre; and what steps he intends to take to seek to ensure that only those genuinely seeking work are included in the unemployment figures.

Mr. Alan Clark: The monthly unemployment figures relate to claimants to unemployment benefits (that is unemployed benefit, supplementary allowances or national insurance credits) at unemployment benefit offices. Unemployed people are no longer required to register for work as a condition for receiving these benefits, and many unemployed claimants who do not register use the self-service facilities at jobcentres or other means of seeking work. Moreover, those registering at jobcentres include a number of people seeking a change of employment and others who are not claiming benefits. Conclusions about unemployment cannot therefore be drawn from the numbers currently registered at jobcentres. While it is a condition of receipt of unemployment benefits that a person be unemployed and capable and available for work, it is not possible to ensure that the monthly count of claimants includes only those actively seeking work. However, less frequent estimates of the numbers without jobs seeking work are available from the labour force survey based on household interviews, and these provide a check on the coverage of the monthly count. Provisional results for 1983, including both the number of claimants at unemployment benefit offices not actively seeking work and the number of non-claimants without jobs seeking work, were published in the August 1984 issue of the *Employment Gazette*. Similar comparisons for 1984 will be published shortly.

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PARLIAMENTARY DEBATES

OFFICIAL REPORT

SIXTH SERIES **VOLUME 82**

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1st July—12th July 1985

SCOPE OF THE INDEX, ARRANGEMENT AND ABBREVIATIONS

This index is derived from the House of Commons Library's Parliamentary On-Line Information System (POLIS), and the subject terms used are based on those used in POLIS. There are often changes in column numbering, etc., between the daily part or weekly Hansard (which simply collects together the daily parts without revision) and the bound volume. The index for the bound volume is revised to take account of these changes.

Scope and arrangement of the Index

Oral and Written Parliamentary Questions are indexed under subject headings and the names of Members asking and Ministers replying to them. Questions are not listed under the names of Departments replying. Departmental listings can be arrived at indirectly by looking under the names of the Minister(s) of that Department. There will, however, be headings 'Northern Ireland', 'Scotland', and 'Wales' under which one will find not only most Questions answered by the Northern Ireland Office, Scottish Office, Welsh Office but also Questions about these areas of the United Kingdom which are answered by other Departments. Ministerial statements are indexed under subject headings, under 'Ministerial statements' and the names of Ministers making them and Members speaking on them. General debates are indexed under broad subject headings and under the names of all Members and Ministers taking part. Debates on legislation (Bills, Orders, Regulations etc.) are indexed under the name of the Bill, Statutory Instrument etc., under subject headings and under the names of those taking part.

Rulings and Statements by Mr. Speaker and his deputies are brought together under the heading Speakers rulings and statements.

Other contributions by Mr. Speaker and his deputies appear under the heading Speaker.

Opposition Day Debates, Estimates Day Debates and Standing Order No. 10 applications are listed under those respective headings and under subject headings too.

The date of each item except Parliamentary Questions is inserted immediately before the reference.

Members' names are given in the form by which they prefer to be known and are printed in bold italics. Under their names, entries are arranged under one of the two headings *Debates etc.* (to include interventions on statements, points of order and so on) or *Questions*.

Abbreviations

Bills 1R=first reading, 2R=second reading, Money res=money resolution, Com=Committee stage, Rep=Report stage, 3R=third reading, amendt/amendts=amendment/amendments, *=matter taken formally, without debate.

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